OFFICE OF THE
Auditor General
of British Columbia

NEWS RELEASE

For Immediate Release
July 20, 2005

Auditor General seeks continued improvement in government's public performance reporting

VICTORIA– The Auditor General Wayne Strelioff today released his fourth annual assessment of the quality of government's performance reporting, entitled "Building Better Reports: Our Assessment of the 2003/04 Annual Service Plan Reports of Government." The annual reports of 34 ministries and Crown corporations, as well as the government-wide Strategic Plan Report, were included in the assessment.

"Because there is more to measuring the success of government than focusing on just the financial bottom line, I believe high-quality annual reports are essential for understanding the overall performance of government" said Strelioff.

None of the reports Strelioff assessed provided a complete picture of performance. However his office observed steady, albeit measured, progress in overall quality this year. "Some reports are approaching a standard I hope all organizations will achieve" said Strelioff, "but there remains considerable room for improvement in most reports."

This year's report includes the assessments of each ministry and Crown corporation, which were discussed individually with the management of all 34 organizations. "Organizations are showing a lot more interest in our assessments this year" he said. "I'm glad to see an increasing level of interest in our work and in the quality of performance reporting in general."

Strelioff said "In my report I've noted a number of specific areas where organizations can improve their annual reports. But I must also acknowledge that, in general, performance reporting in British Columbia is ahead of the curve. Not many other jurisdictions in Canada produce the same quality of information that we do here."

"I am encouraged by the progress to date, and I hope government will continue to improve the quality of performance information it provides to the people of BC" he said.

-30-

2005/06 Report #4 - Building Better Reports: Our Review of the 2003/04 Annual Service Plan Reports of Government.

Backgrounder attached.

Media wishing to arrange an interview with the Auditor General may contact Doreen Sullivan, 250 356-2627.

This report is available:
On the Internet at the Office of the Auditor General homepage: http://bcauditor.com/AuditorGeneral.htm

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OFFICE OF THE
Auditor General
of British Columbia

BACKGROUNDER

JULY 20, 2005

Building Better Reports:
Our Assessment of the 2003/04 Annual Service Plan Reports of Government

What are the Annual Service Plan Reports of Government?

The *Budget Transparency and Accountability Act* requires ministries and government organizations to issue each year:

- a service plan, identifying goals, objectives and performance measures, and
- an annual report, comparing actual results with those expected in the service plan.

All ministries and most Crown corporations and agencies are required to issue these plans and reports.

Why are they important?

In the public sector there is more to measuring success than focusing on the financial bottom line. The amount of money spent by government on programs or strategic initiatives does not tell us whether objectives were achieved, if best value was obtained, or whether any difference was made at all. Therefore it is important for government organizations to measure and report their performance in other ways. For this reason, annual reports contain information on the financial and operational performance of government. Reporting on non-financial operational performance is a key accountability requirement for government as a whole and for individual organizations entrusted with the public's resources and responsible for delivering public services.

Robust performance reporting can:

- encourage healthy debate on plans and priorities;
- allow assessments of actual performance;
- engage the public's interest in the business of public sector organizations; and,
- demonstrate that an organization is open and accountable.

. . . 2

Why does the Auditor General assess Annual Service Plan Reports?

It is the responsibility of each ministry and Crown corporation to report comprehensive, high quality performance information. The Auditor General is committed to helping ensure legislators and the public receive the best information possible for assessing the performance of government. Our yearly assessment of the quality of the annual service plan reports is one way we contribute to this goal.

This year's report includes the assessments of each ministry and Crown corporation. Because we discussed each individual assessment with the management of all 34 organizations, it took longer to produce this year's report than it has in any of the previous three years. While it took more time, and delayed publication of the report, we believe it was a useful investment in improving the quality of performance reporting.

How does the Auditor General assess the quality of reporting?

The Auditor General used the BC Performance Reporting Principles. Reporting principles serve as a guide to help government know what it should report to the public each year about the planned and actual performance of ministries and Crown agencies.

In British Columbia, government, the Public Accounts committee and the Auditor General agreed – in October 2003 – that the BC Reporting Principles should form the basis for how service plans and annual service plan reports are written and assessed.

This consensus means there is agreement about the basis on which the provincial government should tell its performance story.

Why is having these reporting principles important?

The agreement on the BC Reporting Principles is significant because it means the debate is no longer about what constitutes good reporting. Efforts can now be focused on achieving it.

2005/2006: Report 4

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Building Better Reports:

Our Assessment of the 2003/04 Annual Service Plan Reports of Government

July 2005

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Library and Archives Canada Cataloguing in Publication Data

British Columbia. Office of the Auditor General.

Building better reports : our assessment of the 2003/04 annual service plan reports of government

(Report ; 2005/2006: 4)

ISBN 0-7726-5392-5

1. Finance, Public - British Columbia - Auditing. 2. Finance, Public - British Columbia - Accounting. 3. Administrative agencies - British Columbia - Auditing. 4. Government productivity - British Columbia - Evaluation. I. Title. II. Series: British Columbia. Office of the Auditor General. Report ; 2005/2006: 4.

HJ9921.Z9B74 2005 352.4'39'09711 C2005-960153-1

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Speaker of the Legislative Assembly
Province of British Columbia
Parliament Buildings
Victoria, British Columbia
V8V 1X4

Dear Sir:

I have the honour to transmit herewith to the Legislative Assembly of British Columbia my 2005/2006 Report 4: Building Better Reports: Our Assessment of the 2003/04 Annual Service Plan Reports of Government.

Wayne Strelioff

Wayne Strelioff, FCA
Auditor General

Victoria, British Columbia
July 2005

copy: Mr. E. George MacMinn, Q.C.
Clerk of the Legislative Assembly

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Auditor General's Comments

Wayne Strelioff, FCA
Auditor General

This report represents my Office's fourth annual assessment of the quality of public performance reporting in British Columbia. We have again used the BC Reporting Principles, which outline the characteristics of good performance reporting, as the basis for this year's assessment. These principles continue to represent a milestone achievement in British Columbia, embodying agreement among the preparers of performance reports (government), the users of performance reports (legislators, as represented by the Public Accounts Committee) and those who assess them (my Office). This consensus means there is agreement about the basis on which the provincial government should tell its performance story. In this way, we all have an ownership stake in the BC Reporting Principles, and an interest in seeing them fundamentally incorporated in the reports of all government organizations.

This year we continued to observe steady, albeit measured, progress in the overall quality of public performance reporting. Some government organizations are approaching a standard of reporting I hope all organizations will achieve over the next few years. However, there remains considerable room for improvement in most reports—none we assessed fulfilled all seven of the principles examined.

That said, it has only been 18 months since the BC Reporting Principles were endorsed for use by all government organizations, and we knew at the outset it would take time for the quality of performance reporting to reach a high standard. For this reason we have assessed the quality of performance reporting using a scale of learning rather than a simple pass or fail.

It is the responsibility of each ministry and Crown corporation to provide high quality public performance information. But in the short term, as these organizations develop their capacity to produce and use performance information, I believe it is the responsibility of central government to provide them with strong leadership and comprehensive guidance to do that. The Crown Agencies Secretariat has taken a leading role in offering Crown corporations support and guidance for their performance management and reporting. For example, the guidelines provided by the Crown Agencies Secretariat in support of the 2003/04 performance reports of Crown corporations were comprehensive and generally consistent with the BC Reporting Principles.

Unfortunately, we did not find the same strong support being provided to ministries. Treasury Board Staff (a division of the Ministry of Finance) used to do this, issuing guidelines and advising ministries in their performance reporting efforts. In 2003/04 however, Treasury Board Staff gave up this role. Since then, despite being informed that the function had operational accountability to the Office of the Premier, there has been confusion on the part of some ministries over where executive responsibility for performance reporting resides in government. Compounding the problem, the guidance issued to ministries for the 2003/04 annual reports did not fully address the BC Reporting Principles. A number of ministries expressed to us their concerns over these inconsistencies and the lack of certainty about who had executive responsibility. (As an aside, I am pleased to see that the guidelines provided to ministries in preparing their 2004/05 annual reports are much more comprehensive, addressing several of the shortcomings noted in the 2003/04 guidelines.)

Overall, our assessments of the 2003/04 annual reports of Crown corporations were slightly higher than for those of ministries. While this could be the result of many factors, it is possible that higher quality guidance played a part.

Good performance reporting requires a solid foundation in results-based management. As noted in our recent study entitled *Building Momentum for Results-Based Management*, ministries are only just beginning to use performance information internally to manage. Last year, in its response to our assessment of the 2002/03 annual reports of government, the Ministry of Finance noted that ministries needed more operational guidance to implement performance reporting. I agree, but believe this guidance should go beyond reporting guidelines. I believe active leadership on the part of government is necessary to build the capacity within ministries to produce and use performance data.

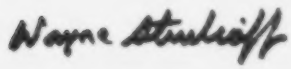
I have been told that some organizations are beginning to feel that the BC Reporting Principles represent an unachievable standard. I disagree with this position. In my view, the principles *are* achievable. This report proves it, showing how each of the principles has been fundamentally incorporated by at least one organization, and some by many more.

Auditor General's Comments

Government has now completed its fourth comprehensive performance planning and reporting cycle under the Budget Transparency and Accountability Act (BTAA). My Office assessed the annual service plan reports of all ministries and major Crown corporations for each of these years, providing feedback to organizations with a view to improving the quality of performance reporting.

Now, as government embarks on its fifth planning and reporting cycle under BTAA, we have decided to shift the focus of our assessment of government accountability reporting slightly. Next year, instead of assessing all service plan reports, we will focus on the goals outlined in the February 2005 Throne Speech in five key areas: education, health, support for society's most vulnerable, environmental management and job creation. We believe it is important for the public to receive the best accountability information possible for these goals, therefore our assessments will concentrate on the 2004/05 reports of organizations primarily serving those key goals.

In government there is more to measuring success than focusing solely on the financial bottom line. The amount of money spent on a program or a strategic initiative does not tell us whether objectives were achieved or whether any difference was made at all. But strong performance reports—in other words, those that incorporate all of the BC Reporting Principles—will give us that information. I remain convinced that overcoming the challenges involved in developing such reports is well worth the effort, and I am encouraged by the progress to date.



Wayne Strelioff, FCA
Auditor General

Victoria, British Columbia
July 2005

Introduction

Reporting on the non-financial performance of government is a key accountability requirement for government as a whole and for individual organizations entrusted with the public's resources and responsible for delivering public services. In the public sector, success must be measured by more than just the financial bottom line. The amount of public money spent to deliver key services is extremely large, and it is important to ensure every dollar is properly accounted for. But even if this is done well, and in BC it is, measuring the absolute amount of money spent does not tell us what government actually achieved or if the best value was obtained. It is therefore important for government organizations to measure their performance in other ways. Performance measurement involves selecting meaningful measures and indicators, setting targets for future performance, managing performance to meet the targets, and reporting publicly on how actual performance compares with planned performance.

The Auditor General of British Columbia is committed to helping ensure legislators and the public receive the best information possible for assessing the performance of government. Our yearly assessment of the quality of the annual service plan reports of government is one way we contribute to this goal.

Objective and Scope

Our objective in assessing the annual service plan reports of ministries, major Crown corporations and the government as a whole is to determine the extent to which their content reflects the BC Reporting Principles, and to understand whether the quality of the reporting is improving over time.

This year we assessed the 2003/04 annual service plan reports of all 19 ministries, 15 key Crown corporations, and the government as a whole. (The list of the annual service plan reports we reviewed is provided in Appendix A.)

In carrying out our assessment, we performed a "desk review" of annual service plan reports. We did not audit the information, so we did not carry out any interviews, system reviews or examination of other documents. To determine the reliability of the information reported—in essence, to verify

the accuracy of the data—would have entailed additional procedures that would have been inconsistent with the intent of this project. Consequently, we are not providing any assurance as to whether the information reported by government and its organizations is relevant or reliable.

For these reasons, we excluded from our assessment the extent to which annual service plan reports met Principle 7—Present Credible Information, Fairly Interpreted. Next year, we will consider the reliability of selected performance measures, for if legislators and the public are to make use of public performance information, they need to have confidence that it is reliable.

Approach

The BC Reporting Principles

We used the BC Reporting Principles to assess annual service plan reports because they reflect broad agreement about the basis on which public sector organizations should tell their performance story. (See also the topic box "What Are the BC Reporting Principles?" for more information.) As noted above, we excluded one principle (Principle 7—Present Credible Information, Fairly Interpreted) from the scope of our work.

The Learning Model Approach

START-UP
Most significant elements have not yet been addressed.

IN PROCESS
Many significant elements have not been addressed, but progress is being made.

FUNDAMENTALS IN PLACE
Most significant elements have been fundamentally addressed, although further improvements are possible.

FULLY INCORPORATED
All elements have been substantially addressed —a standard of excellence.

We have again used a four-stage learning model approach to assess the extent to which each of the BC Reporting Principles has been incorporated into government reporting. This approach recognizes that it will take time for all of the principles to be incorporated in the reports of every organization, and that organizations will incorporate the principles at different rates. We believe a pass/fail approach would not adequately acknowledge progress made during a period of development. It is important to note that it has only been 18 months since the Legislative Assembly's Select Standing Committee on Public Accounts endorsed the BC Reporting Principles. And the guidelines provided to ministries to assist in the preparation of service plan reports have only just included the full content of the BC Reporting Principles.

BC's Reporting Principles

1 Explain the public purpose served
2 Link goals and results
3 Focus on the few, critical aspects of performance
4 Relate results to risk and capacity
5 Link resources, strategies and results
6 Provide comparative information
7 Present credible information, fairly interpreted
8 Disclose the basis for key reporting judgements

What Are the BC Reporting Principles?

The BC Reporting Principles reflect broad agreement, across government and with legislators and the Auditor General, about the basis on which government should tell its performance story. In terms of public reporting, the essence of these principles is to encourage a healthy debate of plans and actual performance.

The principles also provide guidance both to those within government who must prepare public reports and to those who use the reports. As well, the Auditor General uses the BC Reporting Principles to review and report on the quality of government's annual service plan reports. This helps ensure there is common understanding about the quality and completeness of government's performance reporting.

The principles, though, are more than a reporting device. They can help support government in using planning and reporting as a tool for managing, integrated with its ongoing management practices. To report on the results achieved, organizations need to manage their plans—their goals, objectives and strategies—and to ensure they have the information they need to know whether they are achieving their intended results.

In October 2003, the Legislative Assembly's Select Standing Committee on Public Accounts endorsed the BC Reporting Principles as guidance for the preparation and assessment of service plans and annual service plan reports, and encouraged ministries and Crown corporations to work towards the goal of also incorporating the principles into contracts with non-ministerial service delivery agencies.

Government has committed to incorporating these principles into its performance reporting. In the 2005/06–2007/08 Budget and Fiscal Plan, the BC Reporting Principles are cited as "an excellent example of efforts to improve transparency." We commend government's and legislators' continued support of the BC Reporting Principles.

For more information see *Performance Reporting Principles for the British Columbia Public Sector*, a report of the Province of British Columbia and the Auditor General of British Columbia, November 2003. A quick reference guide is also available. Both documents are available on our website: http://www.bcauditor.com/.

Because performance reporting is still in a state of development in British Columbia, we believe that our approach—highlighting good practice and identifying opportunities for improvement—is an appropriate one in the circumstances. Our assessment methodology makes no judgement about how quickly the BC Reporting Principles should be incorporated. We believe it is up to the users of performance information, and specifically Members of the Legislative Assembly, to determine whether they are satisfied with the pace of improvement.

The details of our assessment methodology, including the learning model approach, are provided in Appendix B.

Assessment Results

The key aim in carrying out this assessment is to encourage, and to facilitate to the extent possible, improved public reporting. In the detailed section of this report, we provide an overall assessment of the quality of reporting by ministries and Crown corporations that includes examples of best practice identified during our work. We have also included the assessments of individual organizations.[1]

We met with key representatives from each government organization to discuss our assessment of their annual service plan report, elaborate on details supporting the assessment, and answer any questions they had about the assessment's meaning, our process or performance reporting in general.

Quality Assurance

Our assessments are supported by a comprehensive, evidence-based program derived from the self-assessment criteria contained in the BC Reporting Principles. This program was designed to help our staff evaluate and document each report's stage of development in incorporating each reporting principle. We took other steps to ensure fairness and consistency in our evaluations. Each report was assessed independently by at least three reviewers. Results were compared for consistency within each of our operational sectors by a sector coordinator and, Office-wide, by the project leader who assessed all 34 reports and the government's Annual Strategic Plan Report.

Overall, we believe we have put in place a transparent process. Our assessments are based on both the self-assessment criteria contained in the BC Reporting Principles and a matrix that has been widely circulated and available on our website for three years.

A Summary of Our Assessment

In this section we provide summaries of, and highlight main themes identified in, our assessments of all reports (Exhibit 1), the reports of ministries (Exhibit 2), and the reports of Crown corporations (Exhibit 3). Our comments related to specific reporting principles are discussed in the detailed section of our report, beginning on page 25. The section concludes with our assessment of the government-wide Annual Strategic Plan Report, and a discussion of specific opportunities to improve this key strategic document.

[1] Individual assessments can be accessed electronically from Appendix A on our website at www.bcauditor.com. Alternatively, printed assessments can be obtained by request. Contact information is provided on the inside cover of this report.

The Annual Service Plan Reports Overall

On average, the annual service plan reports of government are at an "In Process" stage of development for six of the seven reporting principles, and are at the "Start-up" stage of development for one remaining principle (Principle 8—Disclose the Basis for Key Reporting Judgements). While the quality of the reporting has shown modest improvement over last year, we conclude that the 2003/04 annual service plan reports do not yet fully inform readers about government's performance.

The extent to which the reporting content reflects the principles of good performance reporting has increased (Exhibit 1). For instance, we made a total of 27 "Fundamentals in Place" assessments this year, more than double the number in the previous two years. At the other end of the spectrum, the number of Start-up assessments has decreased for the second year in a row.

Exhibit 1

Overall assessment of the stage of development of the annual service plan reports of government by fiscal year[a]

Stage of Development	Reporting Principles																							
	Public Purpose Served			Link Goals and Results			Few, Critical Aspects			Risk and Capacity			Link Resources, Strategies and Results			Comparative Information			Disclose Key Reporting Judgements					
Fiscal year	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04			
Fully Incorporated	Not Assessed																							
Fundamentals in Place			3	2	3	2	2	3	4	1	1	4			7	7	4	6		1	1			
In Process		26	21	16	31	24	13	20	19	12	7	14	9	9	17	10	17	10	8	15	11			
Start-up		8	10	16		8	19	11	11	21	26	16	25	25	10	17	13	18	26	18	22			

[a]All ministries and a representative selection of large Crown corporations were assessed each year. Some changes occurred as organizations concluded business, commenced operations or entered or left the general reporting entity. This summary excludes our assessment of the government's Annual Strategic Plan Report. See Appendix A for a complete list of the ministry and Crown corporation reports assessed.

The single greatest area of improvement was in Principle 5—Link Resources, Strategies and Results. In the past, this seemed to have been one of the more challenging principles to incorporate, but now seven out of 34 reports assessed have done so and to the standard we hope all reports will—Fundamentals in Place.

Ultimately we hope the reports of every government organization will fundamentally incorporate all of the BC Reporting Principles. Some reports are very close to achieving this standard. For example, the 2003/04 report of the BC Hydro and Power Authority reached the Fundamentals in Place stage for five principles and the reports of the BC Buildings Corporation and the BC Lottery Corporation reached the same stage for four and three principles, respectively.

Ministry Annual Service Plan Reports

We found a slight improvement in the overall rating of ministry reports, continuing the trend from last year (Exhibit 2). The majority of assessments remained in the Start-up or In Process phases, although there were six Fundamentals in Place assessments, an increase from two in 2001/02 and 2002/03.

There was little movement year over year in any one principle, except for Principle 5—Link Resources, Strategies and Results, where there was a noted improvement. This means that readers were better able to understand how resources influenced results and whether results were achieved efficiently.

Principle 4—Relate Results to Risk and Capacity, and Principle 8—Disclose the Basis for Key Reporting Judgements, remained the biggest challenge for ministries. Readers were left with an incomplete understanding of the factors that could impact on the achievement of objectives, the ability of ministries to achieve intended results now and in the future, the basis on which information was prepared, and limitations on its use.

Exhibit 2

Overall assessment of ministry annual service plan reports by fiscal year

Stage of Development	Reporting Principles																							
	Public Purpose Served			Link Goals and Results			Few, Critical Aspects			Risk and Capacity			Link Resources, Strategies and Results			Comparative Information			Disclose Key Reporting Judgements		
Fiscal year	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04
Fully Incorporated	Not Assessed																				
Fundamentals in Place			1	1	1			1	1						3	1		1			
In Process		12	9	6	19	16	7	13	10	4	2	6	2		6	5	11	8	5	10	9
Start-up		8	9	13		3	13	6	8	16	18	13	18	20	10	14	9	10	15	10	10

Crown Corporation Annual Service Plan Reports

Overall, the 2003/04 reports of Crown corporations remained at a more advanced stage of development than the reports from ministries (Exhibit 3). The number of Fundamentals in Place assessments increased to 21, from 10 in the previous year, although the majority of assessments were in the In Process category.

Significant improvement was shown in two principles: Principle 4—Relate Results to Risk and Capacity, and Principle 5—Link Resources, Strategies and Results. This means that readers were better able to understand the factors that could affect the achievement of objectives, the ability of ministries to achieve intended results now and in the future, the way resources influenced results and the efficiency with which results were achieved. The most challenging principle for Crown corporations, and the only one for which their reports averaged a Start-up assessment, was principle 8—Disclose the Basis for Key Reporting Judgements. By not meeting this principle, the reports left readers with an incomplete understanding of the basis on which information was prepared and the limitations on its use.

Exhibit 3

Overall assessment of Crown corporation annual service plan reports by fiscal year

Stage of Development	Reporting Principles																							
	Public Purpose Served			Link Goals and Results			Few, Critical Aspects			Risk and Capacity			Link Resources, Strategies and Results			Comparative Information			Disclose Key Reporting Judgements					
Fiscal year	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04	2001/02	2002/03	2003/04			
Fully Incorporated	Not Assessed																							
Fundamentals in Place			2	1	2	2	2	2	3	1	1	4			4	6	4	5			1	1		
In Process		14	12	10	12	8	6	7	9	8	5	8	7		11	5	6	2	3	5	2			
Start-up			1	3		5	6	5	3	5	8	3	7	5		3	4	8	11	8	12			

Our Assessment of the Government-Wide Annual Report

The main purpose of the Annual Strategic Plan Report is to allow government to communicate to legislators and the public how it has fulfilled and funded its legislative mandate by reporting results in the context of government's overall goals, objectives, and performance measures at the corporate level. We assessed the Annual Strategic Plan Report because it is such a critical element in the government's accountability to the public.

Our assessment followed the same methodology we use to assess the annual service plan reports of ministries and Crown corporations. While we recognize the Annual Strategic Plan Report has a different purpose—and a higher-level focus—than the service plan reports of ministries and Crown corporations, we do not believe there is any real difference in the type of information that each report should provide to readers. We assessed the Annual Strategic Plan Report in the Start-up phase for all but two principles. As shown in Exhibit 4, and described in detail in our assessment, we believe significant opportunities exist to improve the quality of reporting in this critical, strategic document.

Exhibit 4

Summary assessment of the government-wide Annual Strategic Plan Report by fiscal year

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place		◆					
In Process (IP)		■	■ ◆	●			◆
Start-up	■ ◆	●	●	■ ◆	■ ◆ ●	■ ◆ ●	■ ●

■ 2003/04 Assessment ◆ 2002/03 Assessment ● 2001/02 Assessment

Scope of report—The Annual Strategic Plan Report states it has been prepared on a "whole of government" basis. However, Crown corporations were excluded from the scope of the report. We believe the report should encompass all of the public sector organizations included in the government's financial statements. Put simply, if organizations are of such significance that they are included in the budget and Public Accounts of the Province, then they should also be included in the strategic plan that underlies this budget and the annual report on the outcomes achieved through the expenditure of public funds.

Our view of Crown corporations as public sector organizations established to "serve the public interest and to advance overall public policy objectives"[2] is consistent with Best Practice Guidelines issued by the Board Resourcing and Development Office of the Office of the Premier.

Financial information—The Annual Strategic Plan Report could provide an ideal vehicle for linking the finances of government with broad strategic initiatives that cut across ministry and Crown corporation boundaries. The size and complexity of government can make it difficult for stakeholders to understand the workings of government. A thematic document linking the high level strategies of government with the Public Accounts could powerfully communicate the full extent of government operations in key strategic spheres. At present, the report does not contain any financial information.

Strategic context—As the highest level strategic view of government, the report should set the tone and planning context for the rest of government by outlining relevant province-wide economic, social or demographic information to put results into context. No such information was provided. Similarly, the report made little mention of issues related to risk or capacity at the strategic level. Items that could have been noted might include the impact of international trade disputes, currency exchange fluctuations or demographic trends within the public service.

[2] "Governance and Disclosure Guidelines for Governing Boards of British Columbia Public Sector Organizations" (also referred to as the "Best Practice Guidelines"), Board Resourcing and Development Office, Office of the Premier, p.1.

Linkages to the reports of government—The Annual Strategic Plan Report also states it is an "umbrella document" for individual ministry reports, meaning it is intended to be the guiding framework for the reports of individual government organizations. We appreciate this analogy, yet could not find any meaningful linkage between the Annual Strategic Plan Report and the reports of these individual organizations. The report states that individual ministries are responsible for reporting on their specific outputs. What is not clear, however, is whether the government-wide reported results aggregate those for the whole of government—and so do not duplicate information covered in the annual service plan reports of government organizations—or whether they summarize a selection of results reported in individual government organization annual service plan reports.

We believe the Annual Strategic Plan Report presents an ideal vehicle to address important cross-cutting issues, priorities, goals and objectives—in other words, the overarching strategic aims of government—that cannot be meaningfully addressed in the reports of individual organizations. The achievement of such government-wide objectives cuts across organizational boundaries and does not rest with any one organization. At the same time, it is the activities carried out by these individual organizations that result in their achievement. We found, however, that the Annual Strategic Plan Report did not relate directly to the programs and services delivered by government organizations. Instead, it contained 78 strategic actions that were not linked to the specific programs or activities of government organizations or to the objectives and measures it presented.

Working in the other direction, we also found few examples in the reports of government organizations where the objectives, strategic actions or performance measures established in the government-wide Strategic Plan were addressed.

Putting the Assessment Results in Context

In Process: A Broad Category

Our assessments under each principle fall into four categories, as described in Appendix B. At one end of the scale, the criteria in the Start-up category are quite basic. On the other end, the criteria for Fundamentals in Place represent the minimum standard we believe fulfills the primary intention of each principle. (The top category, "Fully Incorporated," represents a standard of excellence above the minimum.) This leaves a fairly broad range between the two. Because organizations follow unique paths in integrating each principle—there is no specific sequence to incorporating the criteria—we felt it was appropriate to establish the general category of In Process between "just getting started" and "meeting requirements." Using more intermediate stages of development would not, we believed, work in every case and could create a false sense of precision.

During this year's assessments, we noted instances where organizations had made improvements in their reporting, but because these changes were not enough to meet the requirements of Fundamentals in Place, our assessment remained at the In Process level. This prompted one senior Deputy Minister to suggest we consider creating more intermediate categories so that organizations could see some tangible evidence of progress.

We recognize that a sense of frustration may result when significant efforts do not immediately produce tangible results, and we agree it is important to recognize the improvements organizations have made to their reports. This is one of the reasons for providing a more detailed written assessment for each report (see Appendix A) than was provided last year. But ultimately we think it is more important for organizations to concentrate on doing what is necessary to incorporate each principle into their reports than to focus on intermediate stages that still do not fully embrace the accepted criteria.

Principles Not of Equal Difficulty

The learning model does not factor in the relative difficulty of incorporating each of the BC Reporting Principles. This partly explains why our assessment methodology makes no judgement about how quickly the principles should be incorporated.

Fulfilling the requirements of some principles is a relatively straightforward process of disclosure, but doing so for other principles can be difficult where organizations have not instituted results-based management practices. For example, the requirements under Principle 1—Explain the Public Purpose Served are simply to disclose the enabling legislation, mission, the programs and services delivered, clients, reporting relationships and organizational values. On the other hand, considerably more effort is required to fulfill Principle 5—Link Resources, Strategies and Results. This principle has a number of requirements, including disclosure of funding sources, planned and actual costs and revenues, financial trend information, variances and information concerning the economy and efficiency of operations. Organizations should already have much of the financial information called for, but those without a cost accounting system may find it difficult to link specific activities with costs.

Fundamentals in Place: An Achievable Standard Linked to Results-Based Management

During the course of our work, we occasionally heard concerns that the reporting criteria established under the BC Reporting Principles represent an unachievable standard.

It is important to note that this year a total of 27 Fundamentals in Place assessments were obtained—more than twice as many as last year—by the reports of 16 different organizations. Each principle was fundamentally incorporated in at least one report. We think this suggests the principles are achievable, albeit with some effort. Last year all organizations struggled with Principle 5—Link Resources Strategies and Results. This year, however, seven organizations fundamentally incorporated the principle in their reports.

Overview

Strong performance reporting will only be achieved through solid performance management. One of the underlying assumptions of the BC Reporting Principles is that the performance measures reported are a meaningful reflection of the organization's business, useful to management in understanding the fundamental success or failure of the organization in achieving its mission. Where reported performance information is not meaningful in this way, but is instead created solely for the purpose of public reporting, the BC Reporting Principles may indeed be unachievable. They were not intended to support an exercise of form over substance.

As described in Principle 2—Link Goals and Results, "planning and reporting should be part of an organization's ongoing operations, systems and decision-making." Last year's guidelines from the Crown Agencies Secretariat note that "the principles are designed to be a tool to assist organizations in managing and reporting their performance throughout the planning and reporting cycle, and should be integrated into organizations' ongoing management practices." We believe a similar point should be conveyed to ministries in their guidelines.

We encourage organizations to continue to work with the principles. They have been in place for only 18 months and have only just been incorporated into the guidelines for ministry reports. Integrating them will take time and effort, but we see progress being made.

Executive Sponsorship

Ministries and Crown corporations are required to publish service plans and annual service plan reports using the structure contained in guidelines issued by central agencies. For Crown corporations, this guidance is provided by the Crown Agencies Secretariat. In addition to issuing guidelines, the Crown Agencies Secretariat provides Crown corporations with support and executive leadership in performance management and reporting.

For ministries, Treasury Board Staff (a division of the Ministry of Finance) used to issue guidelines and provide similar support. Last year, Treasury Board Staff gave up this role, and since that time there has been some confusion over where responsibility for performance reporting resides in central government. The manager previously responsible for providing assistance on service planning

and reporting was reassigned to the Assistant Deputy Ministers of Corporate Services Secretariat, residing administratively within the Ministry of Community, Aboriginal and Women's Services. While this position had operational accountability to the Office of the Premier, to some ministries it was unclear who in government had overall responsibility for supporting ministries in their performance management and reporting. The ambiguity of the situation is illustrated by the fact that the guidelines for 2004/05 ministry service plan reports were issued from "Service Planning and Reporting Support" rather than from a bona fide division of government.

A number of ministries expressed their concerns to us about this uncertainty. They did not know where to turn for guidance and support in working with the BC Reporting Principles and in building capacity to use them within their organizations.

It is the responsibility of each ministry and Crown corporation to be fully accountable and to provide high quality public performance information. But in the short term, as these organizations develop their capacity to produce and use performance information, we believe strong, sustained leadership and comprehensive, consistent guidance from central government are necessary preconditions to good performance reporting.

Last year, during the course of ongoing discussions with our Office, government committed to "operationalizing" the BC Reporting Principles in order to assist organizations to better incorporate the principles in their reports, so that all government organizations have sufficient capacity, resources, and infrastructure to provide good performance information and manage for results effectively. We commend this objective, but believe it will be difficult to follow-through in the absence of an executive sponsor.

Adequacy of Guidelines

As noted above, guidelines are issued to ministries and Crown corporations to provide consistency in format and content of the reports, and to help organizations achieve the comparability requirement set out in the Budget Transparency and Accountability Act.

Overview

High quality guidelines are an integral part of the performance management and reporting process, establishing consistent expectations and building the capacity of organizations to meaningfully report on their performance. In the response to last year's *Building Better Reports*, the Ministry of Finance noted a need for more robust operational guidelines to help implement the BC Reporting Principles in a consistent and efficient manner across government.

The guidelines issued to support ministries in preparing their 2003/04 annual service plan reports represented an improvement over those issued for 2002/03 ministry reporting. However, they did not fully address all of the BC Reporting Principles. We did not find similar deficiencies in the guidance provided to Crown corporations, which included the full text of the BC Reporting Principles and stated that the principles should be incorporated generally throughout the body of the report.

The most serious issue we had with the guidelines provided to ministries was the absence of clear guidance regarding Principle 4—Relate Results to Risk and Capacity. The guidelines did tell ministries to incorporate the BC Reporting Principles, but very few of the self-assessment criteria related to Principle 4 were addressed in the guidance. Furthermore, the advice provided contradicted the principle by suggesting that relating results to risk and capacity was optional. Most ministries were assessed in the Start-up phase under Principle 4, significantly lower than the average for the reports of Crown corporations.

Ministry guidelines also did not identify the importance of linking individual ministry performance with the government-wide Strategic Plan or Annual Strategic Plan Report. As noted previously, the government's Annual Strategic Plan Report and the reports of individual ministries were not well linked. In the detailed section of this report, we discuss other deficiencies in the ministry guidelines in relation to specific reporting principles.

A number of organizations, particularly ministries, expressed the concern that they could not fulfill the BC Reporting Principles because of restrictions the guidelines placed on the length of reports. We could not find any such restrictions in the 2003/04 guidelines, although we do recognize the trade-off between Principle 3—Focus on the Few Critical Aspects of Performance and the requirements of the remaining seven principles.

We have not included a recommendation that government update the annual service plan report guidelines for ministries because, for the most part, the issues identified have already been addressed in the guidance provided for 2004/05. Nonetheless, we felt it was important to highlight these issues because several ministries raised concerns about the apparent inconsistency between the directions they received and our assessment approach.

Why We Don't Assess Service Plans

Our assessments focus on the annual service plan reports of government because we believe that they are the prime vehicle of accountability. We recognize that service plans are an important stage setter—and that a poorly structured or incomplete plan inevitably leads to poor performance reporting. However, we think it is unreasonable to require readers to refer to two documents to understand how an organization performed. There should be sufficient information within an annual report to let a reader understand the plan on which it is based.

This view is consistent with direction provided by the Crown Agencies Secretariat, which states that the annual report should be "a stand-alone document, and should include sufficient detail to be read and understood in isolation from the service plan."

Use of Performance Reports

Public performance reporting is based on the premise that citizens have a right to information about the business of government. Formal reporting is one of the most important and visible instruments available to governments to provide such information. Historically, reporting has been limited to an accounting of the funds collected and spent by government. However, demand is growing for governments to be accountable for more than just the administration of public funds—the public also wants information about the results that were intended and achieved by government.

In many parts of the world, governments have responded to this demand for enhanced accountability by putting in place results-focused performance reporting requirements. In British Columbia, such requirements are contained in the Budget Transparency and Accountability Act. Public performance

reporting recognizes that the performance of government needs to be measured by more than just the financial bottom line, for the number of dollars spent does not tell stakeholders what government has accomplished or if accomplishments have been achieved efficiently and effectively. Results-focused public reporting informs and provides a context for broad public dialogue among government, citizens and their elected representatives. A starting point for this broad public dialogue is the use of Annual Service Plan Reports by legislators.

We view legislators—the public's elected representatives—as the first audience for Service Plans and Annual Service Plan Reports. Public use of plans and annual reports by members of the Legislative Assembly affirms their value in the accountability process, and we believe would provide a powerful incentive for organizations to continually improve the quality of the information they provide.

We believe public performance reporting has great potential to enhance the overall accountability of government, but for this potential to be realized, Annual Service Plan Reports must be used. British Columbia's legislators have, so far, not made full use of annual service plan reports. We understand that these documents are the product of significant efforts, and recognize that it will be hard to sustain this enthusiasm unless tangible evidence exists that they are being used.

The Select Standing Committee on Crown Corporations has made a good start by examining, in a public forum, the plans and results of selected Crown corporations. In our view, this process should be adopted by other Standing Committees of the Legislature so that the Service Plans and Annual Service Plan Reports of ministries are also subject to public scrutiny and open discussion.

Recommendations

1. **As we noted in our study *Building Momentum for Results-Based Management*, we recommend that government identify an executive sponsor to coordinate and support the implementation of various performance management and reporting initiatives across government.**

2. **In order to provide strong leadership within central government, we recommend that executive responsibility for performance management and reporting, including the issuance of performance reporting guidelines, the "operationalization" of the BC Reporting Principles, and the building of capacity to manage-for-results within individual ministries, be assigned to a senior official having sufficient authority to effect changes, such as a senior Deputy Minister.**

3. **We recommend that the process of examining Service Plans and Annual Service Plan Reports begun by the Legislative Assembly's Select Standing Committee on Crown Corporations, be extended to other Standing Committees of the Legislature so that the Service Plans and Annual Service Plan Reports of ministries are also subject to public scrutiny and open discussion.**

Looking Forward

The Building Better Reports series—presenting our yearly assessment of the annual service plan reports of government—is one way we are working to ensure that legislators and the public receive the best information possible for assessing the performance of government. Other things we have done include our study of performance management, included in our report *Building Momentum for Results-Based Management*. We have also continued to provide independent assurance for the annual reports of the Workers' Compensation Board and the Public Guardian and Trustee. As well, the Office is represented on a task force of the Public Sector Accounting Board of the Canadian Institute of Chartered Accountants—the national standard-setter for government reporting—as they develop a "statement of recommended practice" for performance reporting.

After four years of this comprehensive review of the reports of all ministries and most major Crown corporations, we are assessing how best to proceed as government embarks on its fifth planning and reporting cycle under the Budget Transparency and Accountability Act.

The February 2005 Throne Speech identified the Province's goals in five key areas: education, health, support for society's most vulnerable, environmental management and job creation. We believe it is important for the public to receive the best

accountability information possible about these goals. Consequently, they will form the focus of our work next year. This will have two significant implications for our work.

First, it means we will place a greater emphasis on reporting the results of entire systems and issues that cut across various organizational units. It will also mean that not all service plan reports will be assessed next year. As the umbrella document for all of government, we have focused, and will continue to focus, on the government-wide Annual Strategic Plan Report. But in relation to ministries and Crown corporations, we will focus our work on the annual reports of organizations significantly contributing to the five key goals.

This section of the report summarizes, for each of the BC Reporting Principles, our assessments of the annual service plan reports of ministries and Crown corporations. A description of each principle is presented, followed by a discussion of the main theme for ministries and for Crown corporations.

The assessments of individual ministry and Crown corporation reports are on our website, linked (for online users) in Appendix A. Printed copies are available by contacting the Office directly. (Contact information is provided on the inside cover of this report.)

The four stages of development used in our assessments of each BC Reporting Principle are:

Start-up: Most significant elements have not yet been addressed.

In Process: Many significant elements have not been addressed, but progress is being made

Fundamentals in Place: Most significant elements have been fundamentally addressed, although further improvements are possible.

Fully Incorporated: All elements have been substantially addressed (a standard of excellence).

Reaching the Fundamentals in Place stage is a significant achievement in an organization's performance reporting. It is at this stage that a report will have incorporated the most important elements of a principle. This year, a total of 27 Fundamentals in Place assessments were attained, a significant increase over the 12 that were attained in each of the last two years. To illustrate how an organization can incorporate each reporting principle, we have selected examples from annual reports that attained a Fundamentals in Place assessment (Exhibits 6 to 11).

Principle 1:
Little progress has been made in explaining the public purpose served

Results at a glance:	Ministries	Crown corporations	Explain the public purpose served
Fully Incorporated			Public performance reporting should explain why an organization exists and how it conducts its business, both in terms of its operations and in the fundamental values that guide it. This is important in allowing a reader to interpret the meaning and significance of the performance information being reported. Is it clear: ■ why an organization exists? ■ who the organization serves? ■ what the organization does? ■ how its services are delivered? – operationally (its structure and partners)? – what public sector values guide it?
Fundamentals in Place	1	2	
In Process	9	12	
Start-up	9	1	

We found little change from last year in the overall assessment under this principle, although this year a total of three reports reached the Fundamentals in Place stage.

Several ministry reports did not provide enough information to clearly describe the organization's core business areas or its programs and services. Clients and key stakeholders were often not identified. Few ministry reports provided descriptions of the organization's governance structures or of the accountability and reporting relationships with key partners. Only one ministry report was able to clearly explain how public sector values guided the delivery of its programs and services.

Explaining the public purpose served includes informing readers of how organizations manage the delivery of objectives or programs across an entire system, which may include other public sector organizations or alternate service delivery providers in the private sector. The reporting criteria under this principle require organizations to explain how they deliver programs, products or services through others and how they ensure others deliver what they want. Additional reporting criteria also require organizations to describe key accountability relationships with service delivery

partners. We were unable to find much of this information in a number of ministry reports. This issue will have a higher profile in next year's assessment as our focus shifts to broad strategic goals in health, education, support for the vulnerable, environmental management and job creation.

All Crown corporation reports adequately described their public purpose and mission. Core business areas, products and services, and key clients and stakeholders were also clearly described in most cases.

Many of the Crown corporation annual reports clearly explained the governance structure and key reporting relationships by providing a comprehensive description of the organization's governance framework and fully explaining the roles and responsibilities of its Board of Directors. However, similar to ministry reports, some Crown corporation annual reports did not fully explain the organization's accountability relationships with service delivery partners or explain how it delivers programs through alternative service delivery providers.

All Crown corporation reports identified the organization's values, but only two clearly explained how the delivery of programs and services was guided by organizational values.

The Oil and Gas Commission annual report is a good example of how an organization explained the public purpose served and described how its public sector values guide the delivery of its programs and services. Exhibit 5 highlights excerpts from the Oil and Gas Commission 2003/04 Annual Service Plan Report that demonstrate the key reporting criteria for this principle.

Exhibit 5

The Oil and Gas Commission 2003/04 Annual Service Plan Report explains the public purpose served[3]

Reporting Criteria: Public Purpose and Mission – page 1

The Oil and Gas Commission (OGC or Commission) was established under the Oil and Gas Commission Act in July 1998 as part of the Provincial Government's Oil and Gas Initiative. This independent public agency is fully financed by the oil and gas industry through fees and levies.

The Commission is responsible to regulate British Columbia's oil and gas sector. It has a legislated mandate to make decisions on oil and gas applications, considering broad environmental, economic and social effects. It also has a responsibility to consult with First Nations, engage stakeholders, ensure safe operating practices, and streamline regulatory processes.

Our Vision is: "To be the innovative regulatory leader, respected by stakeholders, First Nations and clients."

Our Mission is: "Regulating Oil and Gas Activity:

- through fair, consistent, responsible and transparent stakeholder engagement,
- for the benefit of British Columbians,
- by balancing environmental, economic, and social outcomes."

Reporting Criterion: Accountability – page 59

A new governance structure was approved by government under the Energy and Mines Statutes Amendments Act, 2002, and implemented on June 24, 2003. A three-member Board of Directors governs the Commission. The Deputy Minister of Energy and Mines is the Chair. Dr. Sheila Wynn holds this position. The Commissioner is Vice Chair. Mr. Derek Doyle holds this position. The third Director is a government appointee, and is held by Mr. John Bechtold.

Reporting Criteria: Clients and Stakeholders – page 3

The Commission has both clients and stakeholders. Clients are industry firms and their representatives. Those representatives are the Canadian Association of Petroleum Producers (CAPP) and the Small Explorers and Producers Association of Canada (SEPAC). Stakeholders are groups and individuals outside of the Commission that may influence decisions. Stakeholders include First Nations, local and regional governments, environmental organizations, community groups, private landowners and others.

Reporting Criterion: Organizational Values – page 1 and 2

Our Core Values are that:

We Commit to Integrating the Following in Everything We Do:

- *We are socially and environmentally responsible.*

Core Values are integrated into day-to-day operations in a number of ways:

- *The efforts of staff to use the core values as a guide for work activities and as a 'lens' to assess problems and situations*
- *The efforts of program managers to ensure that program delivery is consistent with core values*
- *The efforts of Executive to ensure that leadership is exercised with consistency to core values*

Reporting Criterion: Core Values in Program Delivery – page 23

Goal B

Provide resources to meet our duty and provide benefit to BC

Objective #2

Reduce the risks to British Columbia and its citizens through improvements in safety, planning and compliance by industry

Description

Risks include human health, worker safety, environmental impacts and recovery levels of the oil and gas resource. Through a good safety and compliance program, the Commission can meet the needs of the public as well as ensure a level playing field for industry.

Reporting Criterion: Strategies and Results – page 23

Annually conduct joint audits of the oil and gas industry with other Agencies

Develop a campaign to improve compliance of Waste Management Act

Improve road regulation for the oil and gas industry to specifically address environmental issues, worker safety and reclamation measures

Develop and implement a program to ensure wells and facilities are abandoned in a timely manner, enhance the drilling deposit system to limit the financial liability to the Province and identify and abandon orphan wells

Develop spill response plans for lease areas

Reporting Criterion: Public Sector Values – page 67

The Oil and Gas Commission delivers services in a manner consistent with public sector values.

The core values of government, as identified in the BC Government Strategic Plan, are:

- *Integrity: to make decisions in a manner that is consistent, professional, fair and balanced*
- *Fiscal responsibility: to implement affordable public policies*
- *Accountability: to enhance efficiency, effectiveness and credibility of government*
- *Respect: to treat all citizens equitably, compassionately and respectfully*
- *Choice: afford citizens the opportunity to exercise self-determination*

[1]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the Oil and Gas Commission's 2003/04 Annual Service Plan Report

Principle 2:
Reports have taken a step back in linking goals and results

Results at a glance:	Ministries	Crown corporations	Link goals and results
Fully Incorporated			Public performance reporting should identify and explain the organization's goals, objectives and strategies, and describe how the results relate to them. Do you understand: ■ what the organization intended to achieve? ■ what it actually achieved? ■ how the organization's results affected its future direction? Is there a logical "chain of events" from the goals, objectives and strategies through to the performance measures and results?
Fundamentals in Place		2	
In Process	16	8	
Start-up	3	5	

Results under this reporting principle declined slightly from the previous year—a result we found to be disappointing.

Most reports clearly described and linked the organization's mandate, goals and objectives, but few provided clear linkages from its goals and objectives to its performance measures. And some reports did not have measures for all of the stated objectives.

Most ministry reports did not identify or explain variances between performance targets and actual results. For some reports, this was because targets were not expressed in measurable terms. We frequently encountered phrases such as "partially met" or "substantially achieved" in performance reports without any further explanation. We believe that the use of these terms is problematic because readers are not informed of which parts of the measure were met, or the impact of not fully attaining the intended target.

One third of the Crown corporation reports we assessed also demonstrated some difficulty in incorporating this principle. While most reports made clear the linkages between mandate, goals and objectives, for many those linkages did not continue through to the reported measures. As was the case for ministry reports, many Crown corporation objectives had no associated measures. In some instances, measures that were included in the service plan were not reported, leaving the status of the organization's achievement in some objectives unknown.

Most reports did identify variances between targets and actual performance, although explanations of these variances were often not provided.

The BC Hydro annual report is a good example of how an organization explained the chain of events from goals, objectives and strategies through to its performance measures and results. Exhibit 6 highlights excerpts from the BC Hydro 2003/04 Annual Report that demonstrate the key reporting criteria for this principle.

Exhibit 6

The BC Hydro 2003/04 Annual Report describes the chain of events the corporation followed in its strategic planning cycle by clearly explaining the linkages between its vision, mission, goals, objectives, strategies and performance results[4]

Reporting Criterion: Vision – page 6

To become the leading sustainable energy company in North America.

BC Hydro will accomplish its vision by building on its solid base of clean, renewable hydropower assets, by employing a skilled and capable workforce, by delivering excellent financial and operational performance, and by attaining strong public support

Reporting Criterion: Mission – page 11

To provide integrated energy solutions to its customers in an environmentally and socially responsible manner by balancing British Columbian's energy needs with the concerns of the environment and communities in which it operates.

Reporting Criteria: a) Goals – page 14

BC Hydro's four strategic goals...reflect BC Hydro's commitment to managing business across the three bottom lines, and support the company's vision of becoming North America's leading sustainable energy company. Managing performance both financial and non financial is an integral part of BC Hydro's strategic management process...

b) Objectives

Goal 2: Quality Service

BC Hydro's objectives to achieve quality service were to focus on customer satisfaction and service reliability.

c) Strategies – page 20 and 21

Goal 2: Quality Service

To ensure quality service BC Hydro is focusing on customer satisfaction and service reliability.

A new approach is needed for measuring reliability performance, taking into account customer's needs and expectations... A Customer Based Reliability Strategy is being designed to tailor reliability targets for specific customer segments by incorporating customer expectations in asset spending decisions. Reliability centred techniques have been applied to maintenance programs in an effort to optimize operating and capital spending.

continued...

...continued

d) Performance measures – page 21

Reliability: Average System Availability Index (ASAI) & Customer Average Interruption Duration Index (CAIDI)

Definition: Reliability is a combination of Average System Availability Index (ASAI) and Customer Average Interruption Duration Index (CAIDI). ASAI is the percentage of time the power system is available. CAIDI is the average number of hours per interruption. These indices are electric utility industry standards. CAIDI and ASAI are reported on a rolling 23 month average.

Variance Explanation: Reliability was worse than target due to a number of factors including : increased levels or adverse weather (the McLure forest fire was caused by extremely hot and dry weather); increased equipment failures related to aging infrastructure; increased customer density resulting in the system being driven harder; and increased outage restoration time (traffic congestion in urban areas). The ASAI result means that over the 12 month period, the system was unavailable for a total of 4.5 hours.

[4]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the BC Hydro Corporation's 2003/04 Annual Report.

Principle 3: Little progress has been made in focusing on the few critical aspects of performance

Results at a glance:	Ministries	Crown corporations	Focus on the few critical aspects of performance
Fully Incorporated			Public performance reporting should focus on the few, critical aspects of performance. "Few" means that the goals, objectives and performance measures are limited in number. "Critical" refers to significance, relevance and the focus on results. Did the report focus on what's important to: ■ the public and its elected representatives? ■ government as per its strategic plan? ■ the organization in terms of its priorities, goals and objectives? Are key results—both financial and non-financial—clear and readily apparent?
Fundamentals in Place	1	3	
In Process	10	9	
Start-up	8	3	

Ministry assessments under this principle decreased slightly from last year, while Crown corporation assessments improved by approximately the same degree, so that overall there was no change.

Two areas where organizations should continue to focus are (1) in providing explanations for what was critical to the organization in achieving its goals and objectives, and (2) in stating why their goals and objectives were important to the legislators and the public. Reports that were able to clearly address these reporting criteria were better able to inform readers of the few critical aspects of the organization's performance and describe how the organization's goals and objectives aligned with government's priorities.

The government's Annual Strategic Plan Report includes a number of strategic actions, in many cases listing multiple ministries accountable for their accomplishment. We seldom found these same actions identified in the respective ministry service plans or service plan reports.

Most Crown corporation reports explained, at least in part, why the organization's goals and objectives were important to achieving its public purpose. However, very few reports actually stated what was critical to the organization's success.

Some reports pointed to specific government direction that the organization received in its Shareholder's Letter of Expectation or the Core Services Review to explain how the goals and objectives were addressing government's priorities. We believe that specific reference to either of these sources of government direction, with links to the organization's goals, objectives, strategies and measures, clearly demonstrates how the organization's performance reporting is aligned with government priorities.

The BC Lottery Corporation annual report is a good example of how an organization explained the few critical aspects of performance. Exhibit 7 highlights excerpts from the BC Lottery Corporation 2003/04 Annual Report that demonstrate the key reporting criteria for this principle.

Exhibit 7

The BC Lottery Corporation 2003/04 Annual Report explains critical aspects of its performance[5]

Reporting Criteria: Goals and Objectives – page 45

Goal 4: To generate net income for the public good.

Objectives:

Maximize income to Government of British Columbia within the policy guidelines established by Government.

Operate the business in the most effective and efficient manner possible.

Reporting Criteria: Critical Aspects of Performance – pages 4–6

The Service Plan establishes strategic goals that measure the Corporation's performance in providing high quality entertainment, being socially responsible, developing a high performing organization and generating revenue for vital public programs.

Most importantly, gaming revenues enhance the lives of all British Columbians through direct and indirect financial and economic benefits.

We are proud that the profit from every dollar wagered here in British Columbia, from the lottery, casino, and bingo games of chance players choose for their entertainment makes its way back to our communities. Health and education programs, charitable and community organizations, host local governments where casinos are located, and programs for responsible play and problem gambling all benefit from BCLC net income.

In fiscal 2003/04, Government directed more than $531 million to vital health care, education and social service programs. Charitable and community organizations received $132 million to deliver programs in the areas of arts, culture, sports, public safety, human and social services, capital projects and parent advisory councils in elementary and secondary schools throughout the province.

(page 45)

Performance Measures	2001/02	2002/03	2003/04
Net Income ($m)	$606.1	$670.9	$727.6
Profit Margin	37.7%	37.4%	38.5%

Reporting Criterion: Government Wide Priorities – page 39

Government Goals	BCLC Alignment
A strong and vibrant provincial economy	Fiscal 2003/04 net income of $727.6 million generated for Government
	Gaming supports an estimated 8,500 direct jobs and another 5,000 indirect jobs in the province
	Excluding prizes, more than 75% of expenditures paid to private sector partners
	Strategic partnerships with key British Columbia businesses

[5]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the BC Lottery Corporation's 2003/04 Annual Report.

Principle 4:
The quality of reporting on risk and capacity has improved

Results at a glance:			Relate results to risk and capacity
	Ministries	Crown corporations	Public performance reporting should report results in the context of an organization's risks and its capacity to deliver its programs, products and services. "Risk" is the chance of something happening that will have an impact on objectives. "Capacity" refers to the ability of an organization to achieve its intended results now and in the future. Do you understand how the organization's results were affected by: ■ its risk management? ■ its current capacity? ■ the capacity of others? Do you know whether the organization has sufficient capacity to meet its objectives in the future and to manage its risks?
Fully Incorporated			
Fundamentals in Place		4	
In Process	6	8	
Start-up	13	3	

Ministries made limited progress in reporting on either risk or capacity since last year. For ministries, this was the weakest area of reporting. We note that it was also an area that was not addressed in the reporting guidelines provided to ministries.

Some ministry reports included a discussion of the organization's capacity to deliver programs or services, but did not discuss other operational risks. All ministry reports should include a meaningful discussion of key risks and risk management strategies, as well as explanations as to how current capacity affected results, if improvement is to be made under this reporting principle.

Reporting on risk and capacity was one of the areas of greatest improvement in Crown corporation annual reports. Most reports discussed key risks in the operating environment and explained risk management strategies. However, many Crown corporation annual reports did not discuss the status of key areas of capacity or explain how capacity affected the results achieved.

The Legal Service's Society annual report is a good example of how an organization explained how its risks and capacity affected the delivery of its programs and results. Exhibit 8 highlights excerpts from the Legal Services Society 2003/04 Annual Service Plan Report that demonstrate the key criteria for this principle.

Exhibit 8

The Legal Services Society 2003/04 Annual Service Plan Report presents its results in the context of operational risks and organizational capacity[6]

Reporting Criteria: Key Risks and Risk Mitigation Strategies – pages as marked

An environmental scan and risk analysis conducted in the fall of 2003 identified seven key issues that affect the society's ability to achieve its objectives. (page 8)

Key to the society's success in meeting its mandate is its ongoing commitment to preserving its credibility with funding agencies and the broader community, and its reputation as an enterprise service provider that can get things done and expend funds appropriately. Partnerships with others in the justice system through, for instance family duty council projects, ongoing work with service providers such as ProvNet; and cost effective, ground breaking approaches to services such as the enhanced LawLINE project help LSS maintain this positive status. (page 8)

Strategic initiatives undertaken this year emphasized collaborating with key stakeholders to understand how best to meet unrepresented litigants' legal needs and to improve access to justice for low income people. Through the following initiatives, LSS provided legal advice to more than 13,000 people who did not qualify for legal representation. (page 7)

Legal aid delivery is highly dependent upon having an available pool of skilled private bar lawyers to represent clients. A growing risk for the society is the continued decline in the number of lawyers who are willing to accept legal aid referrals. This situation is exacerbated by low remuneration rates (tariffs) that make it increasingly uneconomical for lawyers to represent LSS clients, particularly given the growing length and complexity of court case. (Page 9)

A tariff review was initiated in February 2004 in response to concerns that the steadily decreasing number of private lawyers willing to accept legal aid referrals may be impeding the society's ability to respond to the needs of low income people. In 2003/04 1,027 private bar lawyers accepted referrals for cases opened during the year (compared to 1,078 in 2002/03 and 1,263 in 2001/02). The tariff bar has long reported that an under funded tariff is a key reason for this situation. (page 18)

Reporting Criterion: Capacity – pages as marked

This was the second of three years of scheduled provincial government reductions to the legal aid budget. As LSS has now implemented the program and staff cuts necessary to accommodate those reductions, no further cuts are anticipated for 2004/05. (page 2)

LSS began this fiscal year with 68% fewer staff than it had at April 1, 2002. Ongoing assessments of the society's capacity to provide services with reduced staff and funding resulted in several improvements. (page 18)

LSS continued to build its capacity to provide services with reduced funding and fewer staff. This year, the society expanded its pool of temporary employees, began cross training permanent staff, and hired short term contractors when outside expertise was required. (page 6)

LSS continued to pursue options for immigration funding after the provincial government announced in 2002 that it would not fund this area of legal aid beyond March 31, 2004. By January 2004, the federal and provincial governments had reached a cost sharing agreement that will provide the society with funding for limited legal assistance in this area until March 31, 2005. (page 6)

Overall, legal aid applications and referrals declined this year compared 2002/03, primarily as a result of last year's elimination of legal representation for poverty law matters. (page 6)

[6]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the Legal Services Society's 2003/04 Annual Service Plan Report.

Principle 5:
More reports are linking resources, strategies and results

Results at a glance:	Ministries	Crown corporations	Link resources, strategies and results
Fully Incorporated			Public performance reporting should link financial and performance information to show how resources and strategies influence results. Related to this is how efficiently the organization achieves its results. Is it clear what the planned and actual costs were of the organization's: ■ core business areas (e.g. programs, products or services)? ■ key goals, objectives and strategies? ■ results achieved?
Fundamentals in Place	**3**	**4**	
In Process	**6**	**11**	
Start-up	**10**		

Overall, ministries improved their reporting under this principle in 2003/04. However, many ministry reports still do not include basic financial information such as trends for expenditures and explanations for variances from budget.

A few ministry reports described the impact that funding had on the achievement of results. Most ministry reports did not link funding to results to demonstrate efficiency.

It is important to note that ministry reporting guidelines omitted the requirement to provide historical trend information for revenues and expenditures. The guidelines also did not identify the need to link resources with production to help readers understand the economy and efficiency of operations. While three ministry reports fundamentally incorporated this principle anyway, half were still in the Start-up stage, mainly because of the absence of financial trend information.

Crown corporation annual reports improved their reporting under this principle. All Crown corporations included audited financial statements with their annual reports. These financial statements were often preceded by a Management Discussion and Analysis (MD&A) section that discussed the results of financial operations. Most reports also included a historical five-year financial summary that provided key financial trend information

for operating revenues and expenses. The MD&A sections usually explained year-over-year changes in actual operating revenue and expenses. However, few Crown corporation reports compared planned to actual costs.

Several Crown corporation reports included at least one measure of efficiency as part of the organization's performance reporting.

The Ministry of Transportation annual report provides a good example of how an organization linked its financial resources to its results. Exhibit 9 highlights excerpts from the Ministry of Transportation 2003/04 Annual Service Plan Report that demonstrate the key reporting criteria for this principle.

Exhibit 9

The Ministry of Transportation 2003/04 Annual Service Plan Report links financial and performance information to show how resources and strategies influence results[7]

Reporting Criterion: Financial Information – pages as marked

Core Business Area: Highway Operations (page 27)

Objective: The provincial highway system is maintained to a high standard through the efficient and effective administration of road and bridge maintenance contracts.

2003/04 Resource Summary – Highway Operations (page 21)

Program Area	Total Estimated	2003/04 Actual	Variance
	Operating Expenses ($000)1		
Maintenance, Asset Preservation and Traffic Operations2	436,278	428,169	8,109
Inland Ferries3	16,705	10,979	5,726
Coquihalla Toll Administration	1,832	2,023	(191)
Total	**454,815**	**441,172**	**13,643**
	Full-time Equivalents (FTEs)		
Total	**964**	**1,014**	**(50)**

1 Operating expenditures are shown net of BCTFA and external sources.

2 The majority of the $8.1 million surplus in Maintenance, Asset Preservation and Traffic Operations is the result of savings realized in the Road and Bridge Maintenance program due to the signing of longer term contracts with the maintenance contractors.

3 Inland Ferries $5.7 million surplus is due to recoveries from the BC Transportation Financing Authority from a portion of the gas tax collected, which is intended in part to support inland ferry routes.

Reporting Criterion: Linking Financial and Non Financial Information – pages 28 – 29

Performance Measure	2001/02 Actual	2002/03 Actual	2003/04 Target	2003/04 Actual	2003/04 Variance
Maintenance cost per lane kilometre	$4,124	$4,159	$4,170	$4,090	$80

Linkage to goal and objective

The cost per lane kilometre shows how well the ministry is containing costs in the maintenance program, which uses a substantial portion of the ministry budget ($346 million in 2003/04). The ministry targets to efficiently allocate resources to get the maximum output.

Descriptive information

Maintenance cost figures include the cost of road and bridge maintenance contracts and an estimate of other maintenance activities performed by ministry staff. Actual results are calculated by dividing the total allocated cost by the total number of lane kilometres of road maintained (84,624 kilometres in 2003/04).

Factors impacting results

The number of lane kilometres maintained, which is used to calculate cost figures, is influenced by changes in the ministry's road inventory. For example the devolution of infrastructure, incorporations and the extension of municipal boundaries would result in fewer kilometres for the ministry to maintain. The costs of materials also have a direct effect on the cost figures.

The increase in costs in 2002/03 was due mostly to inflation and especially to an increase in the cost of fuel. The positive variance in 2003/04 was a result of savings from recently-awarded maintenance contracts.

[7]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the Ministry of Transportation's 2003/04 Annual Service Plan Report.

Principle 6:
There has been no progress in presenting comparative information

Results at a glance:	Ministries	Crown corporations	Provide comparative information
Fully Incorporated			Public performance reporting should provide comparative information about past and expected future performance and about the performance of similar organizations when such information would significantly enhance a reader's ability to use the information being reported. Can you tell whether (and why) the performance of the organization is: ■ improving? ■ deteriorating? ■ remaining static? Do you understand how the organization expects to perform in the future?
Fundamentals in Place	1	5	
In Process	8	2	
Start-up	10	8	

Maintaining consistency between the performance information contained in the service plan and the information reported in the annual report was an area requiring significant improvement for both ministry and Crown corporation annual reports.

Assessments of ministry results under this principle remained relatively unchanged from last year. Nearly one half of ministry annual reports did not fully report according to the information in the ministry's service plan and this had the largest impact on the report assessments. In some instances, ministries discontinued certain measures identified in the service plan without explanation. New or "proxy measures" were substituted in some cases. Other reports did not include all of the objectives identified in the service plan. Some reports also lacked explanations for changes made to the organization's performance targets or to the method in which the measures were compiled.

We believe transparency and accountability are best served where organizations follow through by reporting on their actual performance in relation to targets established in the service plan. But while we believe it is preferable for annual reports to consistently follow the service plan, it is not our intention to suggest that a service plan casts an organization's performance reporting

framework in stone. We recognize there is a trade-off between reporting exactly as set out in a service plan and making sure reported information reflects management's current understanding of performance. A service plan reflects an organization's best understanding at the time it was developed. Over the course of a year-and-a-half circumstances and strategic direction may change, and this may impact on the consistency of reporting. We also understand that performance measurement can be, at least at this early stage, a process of trial and error. A new measure might not provide the information originally sought, or the systems producing performance information might not prove reliable. In these circumstances, management may feel different measures of performance more appropriately demonstrate performance. We encourage organizations to examine their performance measures on an ongoing basis, and to include new measures where it is considered informative to do so.

Organizations should fully disclose any changes between their service plans and annual reports, and provide detailed explanations for all such changes. To do otherwise—to delete objectives or measures identified in the plan, substitute new measures or change targets, without adequate explanation—can create more questions in the minds of readers than are answered.

Ministry annual reports are beginning to include prior year trend information for the organization's performance measures and are also beginning to benchmark their performance results to those of other organizations. Principle 6 also calls for "relevant economic, social or demographic information to put results into context." Ministry guidelines called only for the inclusion of more narrow societal indicators, although this was optional. By contrast, the guidelines provided to Crown corporations, in addition to providing the full text of Principle 6, specifically required the inclusion of "external economic and industry factors, trends, opportunities and challenges that had a material favourable or unfavourable impact on performance."

Some Crown corporations significantly improved their reporting under this principle over last year, while the assessments of some others declined, many still need to address key criteria in order to further improve their reports. Similar to ministry reports, nearly one half of Crown corporation annual reports did not report

according to the goals, objectives or performance measures contained in the organization's service plan, and did not provide adequate explanations for these changes. Crown corporation reports were slightly better in including benchmark information for the performance measures presented, and most reports provided trend data for the organization's results.

The Ministry of Children and Family Development annual report is a good example of how an organization provided comparative information for its performance results. Exhibit 10 highlights excerpts from the Ministry of Children and Family Development 's 2003/04 Annual Service Plan Report that demonstrate the key reporting criteria for this principle.

Exhibit 10

The Ministry of Children and Family Development 2003/04 Annual Service Plan Report provides comparative information to put its results into context[5]

Reporting Criterion: Demographic Information – page 18 and 19

- There are now more than 926,000 children and youth in BC (about 22 per cent of the province's total population). Approximately 246,000 of these children are under age six.
- The number of Aboriginal children in BC is increasing while the non-Aboriginal child population continues to decline. Aboriginal children and youth continue to be in the care of the ministry in higher numbers than they represent in the general population.
- There are an estimated 52,210 children in British Columbia who have a special need. In 2003/04, the number of children with Autism Spectrum Disorder and their families using services related to ASD increased to more than 2,100.
- Over 140,000 children and youth in the province are estimated to have mental disorders that impair functioning. Anxiety disorders are the most common, affecting an estimated 65,000 children and youth.
- Half the children in the care of the ministry are from families receiving income assistance, a decrease from 65 per cent in 2001. The 2001 Census showed that nearly 20 per cent of BC's children live below the Low Income Cut Off (LICO) level.

Reporting Criteria: Historical Comparisons & Benchmarks – pages as marked (page 37)

Measure	2000/01 Base	2002/03 Target	2003/04 Target	2003/04 Actual	Variance	Target Met?
Rate of children in care (per 1,000 children under 19 years of age)	11 per 1,000	10 per 1,000	9.5 per 1,000	9.9 per 1,000	– 0.4 per 1,000 or 4% below the target	X

✓✓ : target exceeded; ✓ : target met; X: target missed

Performance Analysis

- We did not meet the target. Based on the Mid-term Service Plan Review, this target was revised to reduce the number of children in care to 600 over the two-year period of 2003/04 and 2004/05. (page 37)
- We are satisfied with the work done to reduce the numbers of children in care during the last fiscal year; there are now 517 fewer children in care than at the same time last year (from end of fiscal year to end of next fiscal year). (page 37)
- The target was selected to match the children in-care rate for the Canadian national average. In March 2002, the rate of children in care per 1,000 children under 19 years of age was 9.0 for Canada and 10.8 for BC. (page 53)
- While the children in care rate for Canada had gone up to 9.4 per 1,000 in March 2003, the rate for BC had declined to 10.5 in March 2003 and 9.9 per 1,000 in March 2004. (page 37)
- The Ministry will continue using the national rate as its target (approximately 9 per 1,000), with a particular focus on reducing the number of Aboriginal children in care, while continuing to ensure quality services are delivered. (page 37)
- From 1996 to 2001 there was significant growth in the number of children in care of the ministry, with the number peaking at 10,775 children. Following a trend begun in June 2001, the total number of children in care continued to decline in 2003/04. In March 2004, there were 9,086 children in care, the lowest number since October 1997. This equates to 9.9 per 1,000, down from 10.4 per 1,000 at the start of the fiscal year and 10.7 per 1,000 the previous year. The number of Aboriginal children coming into care is decreasing although not at the same rate as non-Aboriginal children. Some children and youth in care also have special needs. (page 19)

[5]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the Ministry of Children and Family Development's 2003/04 Annual Service Plan Report.

Principle 8:
Many reports remain weak in disclosing key reporting judgements

Results at a glance:			Disclosing the basis for key reporting judgements
	Ministries	Crown corporations	Public performance reporting should disclose the basis on which information has been prepared and the limitations that should apply to its use. Does the report: ■ identify the sources of performance information and the reporting period covered? ■ describe why management is confident that the performance information is relevant and reliable and that its interpretations are reasonable? Does the organization draw appropriate conclusions from its performance results? Do you understand the choices management made in reporting and its confidence in the information presented?
Fully Incorporated			
Fundamentals in Place		1	
In Process	9	2	
Start-up	10	12	

This reporting principle includes criteria to explain how performance data is derived. It also calls for organizations to explain what their results mean—in other words, to interpret performance as seen through the eyes of management.

Only one ministry improved its reporting under this principle in 2003/04. Many ministry reports did not identify their sources of data or the reporting period for the data presented. Few reports adequately explained how the performance measures presented were derived or discussed management's confidence in the results achieved. Management's interpretation of results was rarely discussed in ministry reports, and few reports informed the reader of the impact of the results on future planning cycles.

Disclosing the basis for key reporting judgements was by far the weakest area of reporting in Crown corporation annual reports, where we encountered similar shortcomings to those in ministry annual reports. Few Crown corporation annual reports provided an interpretation of the performance results and therefore it was unclear what impact the results would have on future planning.

As we noted previously in our findings for reporting criteria under Principle 2—Linking Goals and Results, both ministry and Crown corporation annual reports were generally weak in explaining the variances between planned and actual results. The

analysis of variances between planned and actual performance is the starting point for management's interpretations of its results. We believe all variances from performance targets should be fully explained in the reports to anchor the readers' understanding of past and future performance planning decisions.

The BC Buildings Corporation annual report is a good example of how an organization explained how its performance information is derived and how management interprets its results. Exhibit 11 highlights excerpts from the BC Building Corporation 2003/04 Annual Report that demonstrate the key reporting criteria for this principle.

Exhibit 11

The BC Buildings Corporation 2003/04 Annual Report discloses the basis for key reporting judgments and provides an interpretation of its results[9]

Reporting Criterion: How Performance is Measured – page 3 of BCBC 2003-06 Methodology Report

Customer satisfaction index (CSI) rating

Purpose/Description:

Customer satisfaction provides a measure of service quality and of the extent to which services are being delivered in a manner, which meets customers' needs. The customer satisfaction index provides an overall average of customer's ratings of BCBC on five key service attributes (service, quality, responsiveness, choice and total cost). Customer performance ratings on these attributes is considered to be indicative of the level of customer satisfaction.

Methodology:

The data is obtained from an annual customer survey of facilities and program decision makers, carried out by an independent consulting company. Average response ratings (based on a 10 point rating scale) are calculated from responses to questions relating to each of five key service attributes surveyed (i.e. service, quality, responsiveness, choice and total cost). The Customer Satisfaction Index (CSI) rating is the overall average response rating obtained from the five average service attribute ratings, weighted evenly. The average ratings are expressed as percentages of the rating scale (i.e. the 2002/03 CSI rating of 6.6 out of 10 translates into a 66% rating). The survey includes an overall satisfaction question, and the average response rating to that question is also reported.

Baseline and Targets:

Baseline – 2001*	Actual – 2002/03	Target – 2003/04	Target – 2004/05	Target – 2005/06
67%	66%	72%	5% points above 2004/05 rating	5% points above 2004/05 rating

Target Rationale:

A five percentage point increase from the baseline level to the 2003/04 survey (from 67% to 72%) will be challenging in light of the changes facing government. Following 2003/04, the target will be to increase the rating by five percentage points each year for the remaining two years of the plan.

continued . . .

continued . . .

Data Source:

Annual customer satisfaction survey conducted by an independent consulting company.

Reporting Frequency:

Annually.

Reporting Criterion: Management's Interpretation of Results (page 19)

2004 Customer Survey

The Customer Satisfaction Index (CSI) rating obtained from the 2004 Customer Survey (62.7) was below target (72) and the Citizen's First public sector benchmark (65%), but was not statistically below the 2003 survey result (66).

The "Choice" attribute rating (62.2) was also below target (70) and declined slightly relative to 2003 (64.9). Customers continue to feel BCBC has "good" people, and the "Service" attribute rating remains consistent over time at 70.1.Overall, 71% of customers indicated that BCBC's service is the same or better than before. However, the survey identified several areas requiring service improvement, including: 1) Immediacy of response and 2) Quality of people's work.

Potential factors affecting 2004 results include: internal changes (e.g. reduction in numbers/experience of staff due to retirements, and impact of outsourcing and transformation activities and higher than normal project volumes) and external pressures faced by customers. Also, survey results are a lag indicator, reflecting customer's experience over the past 12 months. The benefits/value of the service changes initiated during 2003/04 (e.g. outsourcing) had not been experienced by the customer at the time of the survey.

An action plan will be implemented. Follow-up interviews with individual customers will take place during 2004/05 to clarify underlying customer issues/concerns and identify tangible steps to address these issues.

[9]The excerpts shown here were organized to illustrate key reporting criteria. The exhibit does not necessarily represent the order in which information appeared in the BC Buildings Corporation's 2003/04 Annual Report.

Government Response from the Ministry of Finance

Thank you for providing government with the opportunity to respond to the Office of the Auditor General's "Building Better Reports" review of 2003/04 Annual Service Plan Reports of government and Crown agencies (BBR).

Government remains committed to the BC Reporting Principles and continuous improvement in public performance reporting as a vehicle to enhance management practices as well as transparency and accountability. Through working with ministries and Crown agencies on service plans and annual reports, government is seeing increased effort being put into performance reporting, and is pleased to see that these efforts are producing steady, albeit measured, progress. Even though British Columbia continues to be recognized as a leader among the provinces in performance reporting, government recognizes the need to improve.

The examples provided in BBR of organizations that have achieved a "fundamentals in place" ranking are very useful to illustrate how the Reporting Principles can be implemented. The examples, which include excerpts from several sections of an Annual Report to illustrate each principle, underscore that the Reporting Principles cannot be interpreted as a checklist, and require a thoughtful and comprehensive approach to reporting. The examples also demonstrate the challenges in preparing guidelines for service plans and annual reports that fully embody the Reporting Principles, while still meeting the Budget Transparency and Accountability Act requirements for content and comparability between organizations. Ministries and Crown agencies alike face challenges in meeting both content guidelines and the expectations of the Office of the Auditor General's BBR reviews based on the Reporting Principles.

In February 2005, the Crown Agencies Secretariat facilitated a session with staff from the Office of the Auditor General and Crown agency Chief Financial Officers to review annual report assessments and examples of good practices, and discuss performance reporting generally. Crown Agencies Secretariat would like to do this again next February, with an additional objective to improve consistency in the advice and feedback provided to Crown agencies on how to interpret and approach the Reporting Principles. Ministries could also benefit from the direct involvement of the Office of the Auditor General in guiding the implemention of this important initiative.

Government Response from the Ministry of Finance

As acknowledged in the BBR review, it will take time for the quality of performance reporting to reach a standard of excellence. Government continues to support the learning model approach to the Building Better Reports reviews, which accommodates the diversity of the public sector organizations in terms of size, capacity and resources available to dedicate to the task. Government also believes that this annual review should continue to examine the reports of all Ministries and a broad cross-section of Crown agencies to allow legislators, the public and the organizations themselves to track progress. Working with the Office of the Auditor General to achieve "fundamentals in place ratings" for more organizations and more of the reporting principles will have a positive impact on delivering public policy outcomes. The internal systems and results-based management practices that organizations must develop and utilize for effective performance reporting will help to achieve those outcomes.

Reporting Principle 7—Present Credible Information, Fairly Interpreted—was again omitted from the BBR review. It remains government's view that this principle is important, and can be assessed from the perspective of management's affirmation and descriptions of data sources, systems, benchmarks, limitations and basis for confidence, without necessarily moving to third-party corroboration on reliability and relevance. Government remains concerned that a third-party assurance program for all performance reports and indicators could be extremely costly and time consuming.

BBR notes the Office of the Auditor General intends to consider the reliability of selected performance measures next year. Government's commitment to improved public performance reporting includes enhancing the reliability and consistency of performance information for internal management and external reporting. As such, government would be interested in the Office of the Auditor General's observations in this area.

With respect to the three recommendations from the Office of the Auditor General, government offers the following comments:

1. *Executive Sponsor: Government agrees that an executive sponsor is important to continue making progress with respect to performance measurement and reporting. In this regard, the current approach will be reviewed, and government will confirm leadership responsibility for this initiative.*

2. *Responsibility for Performance Management and Reporting: This will be considered at the same time as recommendation #1.*

3. *Review of Plans and Reports by Legislative Committees: Government will seek direction from Cabinet on this issue.*

Government will continue to enhance its guidelines for service plans and annual reports consistent with the evolution of best practices in meeting the BC Reporting Principles. Government will also continue to provide educational opportunities on various aspects of performance management and reporting. Cooperative effort by government, Crown agencies and the Office of the Auditor General will keep British Columbia at the forefront of public performance reporting.

Tamara Vrooman
Deputy Minister
and Secretary to Treasury Board
Ministry of Finance

Appendices

Appendix A: Annual Service Plan Reports Assessed

Government-Wide

British Columbia Government Annual Strategic Plan Report

Ministries

Ministry of Children and Family Development

Ministry of Transportation

Ministry of Water, Land and Air Protection

Ministry of Forests

Ministry of Public Safety and Solicitor General

Ministry of Finance

Ministry of Human Resources

Ministry of Attorney General and Minister Responsible for Treaty Negotiations

Ministry of Management Services

Ministry of Health Services

Ministry of Sustainable Resource Management

Ministry of Energy and Mines

Ministry of Advanced Education

Ministry of Agriculture, Food and Fisheries

Ministry of Small Business and Economic Development

Ministry of Community, Aboriginal and Women's Services

Ministry of Education

Ministry of Provincial Revenue

Ministry of Skills Development and Labour

Crown Corporations and Agencies

BC Hydro and Power Authority

BC Buildings Corporation

BC Lottery Corporation

Oil and Gas Commission

Appendix A: Annual Service Plan Reports Assessed

BC Housing Management Commission

BC Transit

BC Securities Commission

Insurance Corporation of BC

BC Assessment Authority

Liquor Distribution Branch

Land and Water BC

Legal Services Society

BC Transmission Corporation

Partnerships BC

Tourism BC

Appendix B: The Auditor General of BC Assessment Methodology

Introduction

The assessment matrix we used for the 2003/04 annual reports was revised in response to concerns expressed last year by some organizations that they could not, in all cases, see a direct link between the BC Reporting Principles and the tools we used to assess the quality of performance reporting.

The Learning Model and the Assessment Matrix

The BC Reporting Principles

1. Explain the public purpose served
2. Link goals and results
3. Focus on the few, critical aspects of performance
4. Relate results to risk and capacity
5. Link resources, strategies and results
6. Provide comparative information
7. Present credible information, fairly interpreted
8. Disclose the basis for key reporting

Start-Up
Most significant elements have not yet been addressed

In Process
Many significant elements have not been addressed, but progress is being made

Fundamentals In Place
Most significant elements have been fundamentally addressed, although further improvements are possible.

Fully Incorporated
All elements have been substantially addressed—a standard of excellence.

Our assessment of the annual service plan reports of ministries and Crown corporations uses a learning model approach. The learning model assesses the degree to which each of the eight BC Reporting Principles has been incorporated in a report, using four stages of development. The four stages of development are: Start-up, In Process, Fundamentals in Place and Fully Incorporated.

The learning model is based on a series of questions contained in our assessment program. The questions were derived from the self-assessment criteria outlined in the BC Reporting Principles. The answers to these questions are then placed on our assessment matrix, which outlines the characteristics at each stage of reporting for each principle. The criteria described under each stage of development are meant to be cumulative—Fully Incorporated builds on Fundamentals in Place, and so on.

The learning model recognizes that it will take some time and effort before organizations will fully incorporate each of the reporting principles. Using the learning model over a number of years will allow us to assess this progress. The Assessment Matrix makes no suppositions about the pace of progress—in other words, it does not specify the stage of development an organization should have reached by now or over time. We hope that, in time, all organizations will reach the Fundamentals in Place stage for each principle. Fully Incorporated represents a standard of excellence to which all organizations should aspire.

Assessment Matrix for Annual Service Plan Reports

Principle 1: Explain the public purpose served

Public performance reporting should explain why an organization exists and how it conducts its business. This is important to interpreting the meaning and significance of the performance information being reported.

It is not just the raison d'etre of an organization that matters in understanding its performance. How an organization delivers its programs, products and services is also key. Several ministries, for example, rely on contractors, private/public partnerships, and transfer payment organizations (such as schools, universities, colleges and health authorities) to deliver government programs, products and services. In these cases, achieving the ministry's goals and objectives is a collective, rather than an individual, responsibility.

The issue may be somewhat different for Crown corporations. Their governance structures and the roles and responsibilities of the various parties (board, government and the Legislative Assembly) are often complex. Moreover, Crown corporations must balance their public purpose with sometimes competing business interests.

Public sector organizations are expected to carry out their roles and responsibilities consistent with public sector values. In the conduct of public business, how you deliver your programs, products and services matters.

The matrix is based on the following assumptions about how an organization incorporating this principle will progress:

- from only briefly explaining its programs and services—to describing clients, markets and stakeholders
- from focusing strictly on what the specific organization does —to including the relationship and accountability of key partners and subsidiaries
- from merely listing organizational values—to describing how the organization knows these values guide daily operations

Principle 1—Explain the public purpose served			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Public Purpose, Mission The report adequately explains the organization's public purpose, as outlined in enabling legislation, and it adequately explains the organization's mission.			
Programs & Services A report just starting to reflect this principle will provide an overview of the programs and services the organization delivers, but not explain how they are delivered or what delivery partners are involved.	The report describes the organization's core business areas, and the programs, services or products provided by these. The report clearly identifies clients, key stakeholders and, when relevant, the markets served.	The report explains how the organization delivers programs, products or services through others, and how it ensures others deliver what it wants.	The report explains any other factors that are critical to understanding performance. (For example: independence, competition, or public organizations with similar, complementary or overlapping mandates.)
Accountability Not described.	The report clearly explains the governance structure under which the organization operates. That is, its key reporting relationships, often those that are externally focused. (Crown corporations, for example, will refer to their boards and to their accountability to government.) Similarly, accountability relationships with key partners and subsidiaries are described.		The report describes how the missions of subsidiaries are aligned with the organization's own mission.
Organizational values The report may list the values that guide the organization's operations but it does not make clear how these values influence decisions about program management or delivery.	The report has only begun to describe how public sector values guide the organization's operations.	The report makes clear that the organization is guided by public sector values in delivering its programs, products and services. For example: in an ethical manner, with fair access to business, without personal benefit, or in accordance with professional conduct.	A report that has fully incorporated this principle explains that the organization has conducted its business consistent with public sector values and it explains how the organization knows this.

Principle 2: Link goals and results

Public performance reporting should identify and explain the organization's goals, objectives and strategies and how the results relate to them.

Planning and reporting should be part of an organization's ongoing operations, systems and decision-making. This suggests there is a logical flow or an inter-related "chain of events" an organization follows, from its vision, mission and mandate, to its goals, objectives and strategies, through to its performance monitoring and measuring, to its public reporting.

By monitoring performance, organizations can learn from what has happened and make adjustments to their plan. These adjustments should be reflected in the annual report as an indication to readers that the organization is aware of its successes and is planning steps, where necessary, to address any shortcomings or changes in its environment. Planning and reporting are part of a continuous cycle: the monitoring and reporting of results helps inform future planning, while the planning process sets out the intended results and the strategies to achieve them. In essence, by linking the goals and results of an organization, it will be looking forward as well as back at its performance.

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- from not clearly identifying and explaining the linkages between goals, objectives, strategies, performance measures and targets—to doing so
- from selecting performance measures because they are readily available (e.g., emphasis on inputs, outputs and milestones)—to reporting measures that reflect the organization's few, critical areas of performance (e.g., emphasis on outcomes)
- from reporting too little—to too much—to just the right amount of performance information (Prescribing the exact number of measures to report would be misguided. However, many large and complex organizations have been able to distil the essential elements of their performance down to 20 to 25 measures, or fewer)
- from reporting basic inputs and outputs—to reporting on outcomes in the short and long term

Principle 2—Link goals and results			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Chain of events, or management framework The report identifies the goals and objectives of the organization. However the reported performance measures may seem to be an ad hoc collection, with unclear linkages to the organizations goals and objectives.	There are clear linkages between the goals & objectives, and they are consistent with the organization's mission and public purpose. The report does not make clear some of the linkages between mission or mandate, goals, objectives, strategies and performance measures. As a result, there may be gaps in the integration between what the organization wants to achieve, what it does and how it measures its progress is unclear.	The report fully explains the "chain of events" the organization followed from its vision, mission and mandate, to its goals, objectives and strategies, through to its performance monitoring and measuring and concluding with its public reporting. The report explains why performance measures are relevant to the organization's goals and objectives.	
Nature of performance measures The report may not contain any performance measures or only those that are readily available such as inputs (e.g., dollars spent), simple outputs (e.g., number of courses provided) or the completion of specific activities (e.g., the installation of systems).	The report provides measures for each of its objectives. Performance measures go beyond just inputs and simple outputs towards including more informative outputs (such as efficiency, timeliness).	Performance measurement now focuses on the full range of issues that concern the public and legislators, including outputs (quantity, timeliness and efficiency) some short-term outcomes (the immediate impacts of its activities). However, the report may still contain a large assortment of measures, encompassing both outputs and outcomes, possibly presented in too much detail.	The report contains good short and long-term performance measures. The organization explains how short-term achievements affect long-term goals, including plausible explanations of how the organization's actions resulted in these short-term results, and how these results contribute towards long-term outcomes (reasonable attribution). The contrib-ution of other players and external factors is also disclosed. If the organization relies on an alternate delivery system such as contractors or public/private partnerships, the report describes the performance of the overall system.

continued . . .

Principle 2—Linking goals and results			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Variances between planned & actual results Not identified.	Variances between planned & actual results are identified, but not explained.	The report explains variances between planned and actual results. Reference may be made to plans for the future, but often this is simply a restatement of the service plan rather than an informed discussion of what adjustments the organization intends to make to reflect what it has learned from past performance.	The report explains variances between planned and actual results, and what the organization intends to do in the future as a result of the variance.

- from not identifying variances between planned & actual performance—to providing full explanations for performance variances and what will be done in the future as a result

Principle 3: Focus on the few, critical aspects of performance

Public performance reporting should focus on the few, critical aspects of performance.

This principle reflects the interest of the audience in the larger, overall picture. **Few** means that the number of goals, objectives and particularly performance measures described are limited in number in the published documents that are directed to legislators and the public. **Critical aspects of performance** address significance, relevance and the focus on results. What is critical is determined, in part, by:

- what is important to the intended users—hence, the focus of reporting should be driven by the likely use of the information as much as by government's obligation to report;
- aspects of performance that the government judges as critical to the organization's success; and
- what is vital to the organization as reflected in its goals, objectives and intended versus actual results.

Principle 3—Focus on the few, critical aspects of performance			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Goals and objectives It is not clear from the report that the organization selected the goals and objectives that are important to the public and legislators, and to the achievement of its purpose or vision.	The report has begun to focus on the goals and objectives that are critical to the organization's stakeholders and to achieving its purpose or vision.	The report clearly states why goals, objectives and measures are important, and what achieving them means to the public and legislators.	The organization's goals, objectives and results are clearly presented and are not obscured by unnecessary detail or complexity.
Performance measures It's not clear that the information being reported is relevant to an external audience. As assessed under principle 2, the reports may not contain any performance measures or only those that are readily available such as inputs (e.g., dollars spent), simple outputs (e.g., number of courses provided) or the completion of specific activities (e.g., the installation of systems). These measures are inward-looking and are not likely to be among the "few, critical aspects of performance" that legislators and public would use to judge the organization's success.	The report contains a wider array of performance information than in start-up, but is missing measures related to some critical goals or objectives. Consequently, it provides only some of the "few critical aspects of performance" that legislators and the public would use to judge the organization's success.	The report explains what's critical to the organization in achieving its goals and objectives. Reports at this stage contain the "few critical aspects" of performance. But, as assessed under principle 2, the report may still contain a large assortment of measures, encompassing both outputs and outcomes, possibly presented in too much detail or geared towards satisfying many diverse stakeholder groups, rather than focusing solely on telling a coherent performance story to an external audience.	Performance measures are reported at a level that is meaningful to users. It is clear from the context provided that all the performance information presented, including the performance measures, help tell a clear, concise and complete performance story. The organization has focused its reporting on the areas of importance to its stakeholders and to its purpose or vision.
Government-wide priorities & other sources of information Not linked.	The report explains how the organization's performance is linked to government-wide direction.	Key results (financial and non-financial) are clear and readily apparent. The report address what's important to the government at the overall corporate level as reflected in the government's strategic plan.	The report makes appropriate reference to companion documents providing more detail (e.g. service plans, risk assessments, etc), and where they can be accessed.

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- from not being clear why reported information is important —to clearly presenting why goals, objectives and performance measures are important to the public and legislators
- in conjunction with principle 2, from reporting too little—to too much—to just the right amount of performance information
- from trying to satisfy both internal and external stakeholders—to focusing reporting on the few critical aspects of performance that are of interest to an external audience
- from not linking to government-wide priorities—to addressing what's important at the overall corporate level as reflected in the government's strategic plan

Principle 4: Relate results to risk and capacity

Good performance reporting should report results in the context of an organization's risks and its capacity to deliver on its programs, products and services.

Risk is "the chance of something happening that will have an impact upon objectives. It is measured in terms of consequences and likelihood." Risk management is an integral facet of all business processes.

Capacity refers to the ability of an organization to achieve its intended results into the future. Put another way, "a capable organization is one that can continue to do what it does currently, and is flexible enough to do what is required in the future."

In practical terms, capacity is the appropriate combination of authority, funding, people, and infrastructure (including assets, systems and processes) that will allow an organization to achieve its intended results over the long term. This encompasses such matters as:

- Leadership and Direction
- People
- Tangible Assets
- Resources
- Reputation

Appendix B: The Auditor General of BC Assessment Methodology

Principle 4 — Relate results to risk and capacity			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Risk The report identifies some risks (both threats and opportunities) in the organization's internal and external operating environments, but does not adequately describe how these risks impacted performance results or influenced the choice of strategies.	The report describes key risks in the internal and external operating environment (including critical capacity issues) and their expected impact on the organization. The report does not explain the organization's level of tolerance for risk or how they have influenced strategy or actual performance results.	The report summarizes the key risks faced by the organization, and the strategies for prioritizing and dealing with them. The report explains how risk management affected results. The report summarizes the impact of its strategies and actions in managing risks or on capitalizing on its opportunities.	The report briefly explains how key risks influenced choices concerning goals, objectives and strategies for delivering programs and services. It not only describes key risks and their impacts, but also the organization's tolerability for risk.
Capacity The report does not, in any meaningful way, describe the organization's current capacity nor how capacity affected its results. Existing resources are described (e.g., number of full time equivalents, funding available), but without any reference to whether these resources were sufficient to meet either past or future objectives.	The report describes the current status of key areas of capacity, which may include performance information related to capacity (e.g., absenteeism rates and the completion of information systems). However, information is provided without explanations as to the organization's capacity to deliver on its goals and objectives.	The report explains how capacity affected by the results achieved, including the capacity of partners or the private sector.	The report identifies critical areas where the organization needs to build capacity in order to succeed in the long term. Where there a was shift in the organization's mandate, goals, strategies and/or program delivery since the last report, the report explains what the consequences have been or will likely be on the organization's ability to deliver results in the future. The report states whether or not the organization has the necessary funds, infrastructure and people in place to meet it objectives.

Capacity building is typically the response to an organization's risk assessment.

Reporting would:

- identify significant risks and their tolerability;
- identify specific dimensions of capacity involved—risk treatment and monitoring;
- explain their importance to the organization's mission, goals or results; and
- describe the steps being taken to adjust capacity and/or expectations; or
- where capacity is not a consideration, provide a representation to that effect

What is appropriate will depend on the public purpose to be served by the organization and the resources available to it.

Risk and capacity can be discussed individually or as an integrated topic. Discussions about risk and capacity may be presented as a separate heading in the report, or can be integrated into the presentation of key aspects of performance. While the service plan provides a discussion of the risk and capacity issues that are key to the organization, the annual service plan report summarizes this information, focusing primarily on those risk and capacity factors which actually had an impact on performance.

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- from reporting only a few risks—to reporting on the key risks related to achieving the organization's objectives
- from not reporting the strategies employed to manage risks, the impact of risk on results, and the tolerance for risks—to doing so
- from reporting very little on capacity—to describing the state of capacity
- from not explaining whether or not the organization had the capacity to meet its objectives and what changes it is planning to build capacity to meet future objectives—to doing so.

Principle 5: Link resources, strategies and results

Public performance reporting should link financial and performance information to show how resources and strategies influence results. Related to this is how efficiently the organization achieves its results.

This principle is directed at understanding the link between financial and human resources and the organization's performance. It views funding as a means to an end—more specifically, an organization's ability to deliver on its plan—but also recognizes funding as a critical element in an organization's ability to manage its risks and continue operations. Thus linking financial and operational goals, objectives and results is important to any public sector organization.

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- from reporting only basic financial information such as financial statements and budgets—to showing how resources are linked to strategic direction.
- from providing only overall financial information—to describing how funding is linked to core business areas, goals, objectives, strategies or results.
- from not being able to show how efficiently the organization is able to deliver its program or services—to showing this (e.g., linking inputs to outputs).

Principle 6: Provide comparative information

Public performance reporting should provide comparative information about past and expected future performance and about the performance of similar organizations when it would significantly enhance a reader's ability to use the information being reported.

Comparability refers to the ability to compare information about an organization's performance with:

- relevant baseline information drawn from previous periods and/or;

Principle 5 — Link resources, strategies and results			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Financial information The report contains basic financial information, such as financial statements in the case of Crown corporations, planned vs. actual for ministries. Variances are identified but not adequately explained.	Financial information is supported by a discussion and analysis from management. The report explains key financial variances—what happened and why. The report provides key financial trend information, such as for expenditures. The report explains how current funding compares to past and forecast funding. The report makes clear the nature of funding (fees, grants, appropriations, etc, and sources), and explains key revenue generating activities.	The report explains planned and actual costs in terms of: ■ core business areas (for example, by program, products of services); ■ key goals, objectives, strategies; ■ or results achieved. Any changes in funding that affected the achievement of planned performance targets are explained.	Overall, it is clear how funding is linked to: goals, objectives, strategies, and actual results. Explanations of key financial variances are supplemented with explanations of the adjustments the organization will be making in the future. The report explains the organization's decisions regarding strategies within the context of available funding.
Linking financial and non-financial information There is no linkage between financial and other performance information.	The report begins to make linkages between financial and other performance information by reporting on some measures of output efficiency or linking resources to some programs, strategies, activities or business lines. However, the information may not be sufficiently explained so that readers can understand what it is supposed to be telling them.	The report identifies critical measures of efficiency.	Resources (inputs such as dollars and FTEs) are linked to volume/units of service (outputs) in a way that helps the reader understand the efficiency and economy of the operations.

- internal/external benchmarks drawn from other organizations, statutory regulation and/or non-statutory norms.

Comparative information puts the organization's performance in context, allowing a reader to judge:

- whether an organization's performance is improving, deteriorating or remaining unchanged;
- and whether targets are ambitious, mediocre or attainable.

To allow for comparisons, there must be consistency in the way information is measured and presented. This includes consistency in the organization's form and content of reporting over time. It should also allow for comparisons with similar organizations. (covered in principle 3)

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- from not reporting results in relation to planned performance — to doing so
- from reporting little historical information—to providing long-term trends for most performance information and explaining what the reader should understand from the trends and benchmarks presented
- from reporting no comparisons to similar organizations or industry standards—to reporting as much of this as is possible and informative
- from not explaining data inconsistencies—to doing so
- from not using trend information to inform future performance expectations—to doing so

Principle 6 — Provide comparative information			
Start-up	**In Process**	**Fundamentals In Place**	**Fully Incorporated**
Consistency between plan and report In the start-up phase actual performance may not be reported in relation to the service plan. Significant changes in strategic direction since the plan was produced may not be explained. Many performance measures and targets may be missing.	Actual performance is clearly reported in relation to the service plan. Results are reported in relation to the goals, objectives and performance measures outlined in the plan. There is sufficient consistency in the format and structure of the plan and report to allow readers to understand the connection between the two documents.	The report contains relevant economic, social or demographic information to put its results into context (e.g. an environmental scan).	
Historical comparisons & benchmarks Reports in the start-up phase will have very limited historical results information against which to compare current performance. The report provides either historical for only a few measures, or no historical information at all. Current performance is not compared to benchmarks from similar organizations or industry standards.	Reports at this stage have one year of baseline information for most measures to compare results against. The report will also begin comparing performance against a few, easy to access benchmarks (performance of similar organizations or industry standards). However, the report may lack explanations of what the reader is expected to learn from the trends and benchmarks being presented, or the usefulness of the benchmarks may be questionable. There may be some year-over-year data inconsistencies (e.g., earlier data was collected using a different methodology), and this may not be explained.	For most performance measures, the report contains sufficient information to judge the organization's performance relative to past performance, allowing the reader to understand whether performance is improving, deteriorating or remaining unchanged. Where available and relevant, the report includes benchmark information of other organizations in the same sector or industry; industry standards, or best practices. Any year-over-year data inconsistencies that could impact a reader's understanding of trends comparisons are fully explained. Future performance targets may be presented but these may appear to be simply a restatement of the service plan rather than a reflection of what has been learned from examining trends.	The report demonstrates that the organization is making use of comprehensive historical and benchmark data to inform future plans. The report contains multi-year trend data for funding, outputs and outcomes, and these trends are related to expectations for future performance.

Principle 7: Present credible information, fairly interpreted

Public performance reporting should be credible—that is, based on quantitative and qualitative information that is fairly interpreted and presented, based on the best judgement of those reporting.

The information presented should strike a balance among the following attributes:

Consistency – means measuring and presenting information consistently from one period to the next, and clearly explaining any breaks in the consistency of reported information.

Fairness – means the information is honestly reported and is neutral or free from bias, with checks and balances against subjectivity.

Relevance – means that information relates to the organization's objectives and the extent to which results are achieved. Results should deal with effectiveness, efficiency and costs.

Reliable – means the information is, in all significant respects, complete or free from significant omissions. Reliable also means the information is reasonably accurate or free from material error. "Reasonably accurate" refers to the cost-benefit of producing reliable information.

Verifiable – means the information can be reproduced or traced and independently verified.

Understandable – means the reporting avoids jargon and vagueness, and is succinct. The information is presented in a format and using language that helps the reader appreciate its significance.

Timely – means received in sufficient time to inform decision making. Timeliness for management means information is available for management decision making on a routine basis. Timeliness for legislators and the public means meeting legislated public reporting timeframe commitments that are designed to inform future policy decisions.

This principle suggests that performance information should reflect a number of different attributes. The following attributes are covered elsewhere in the matrix:

- **consistency** – this attribute is mentioned in many principles but it's primarily covered under principle 6 (comparative information)
- **fairness** – this attribute is also mentioned in many principles but is primarily covered in principles 3 & 8 (few critical aspects, reporting judgments)
- **relevance** – this attribute is assessed from various perspectives in all of the principles.

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- **reliable and verifiable** – from an absence of system controls and documentation supporting reported information—to well documented systems, sound controls and sufficient, appropriate supporting documentation
- **understandable** – from providing reports that are lacking information or difficult to read and full of jargon—to providing reports that tell a performance story that is easy to understand
- **timely** – This attribute is not assessed across the continuum—organizations either meet the statutory obligations prescribed by the Budget Transparency and Accountability Act or not

Principle 7 — Present credible information, fairly interpreted			
Start-up	**In Process**	**Fundamentals in Place**	**Fully Incorporated**
Reliable and verifiable—Reported data is a by-product of other systems, prepared on one-off basis for external reporting. There may be minimal supporting documentation. The organization has not ascertained the reliability of data produced by third parties. There is either no reference to the source of information obtained from third parties, or the reliability of such third-party data has not been ascertained.	*Reliable and verifiable*—Data used in public reporting is prepared for periodic review by management. Systems for producing management information may not be well established and are not well documented. Some supporting documentation exists, but may not be complete. Information obtained from third parties is identified, but its quality may not have been assessed.	*Reliable and verifiable*—Systems for producing reported data have been established and documented, although controls may not be complete. There is sufficient and appropriate documentation supporting reported performance information. The quality of information obtained from third parties has been assessed and is appropriately disclosed.	*Reliable and verifiable*—Internally generated data is produced by well documented systems, internal controls are in place and appear reasonable.
Understandable—There is an overall lack of meaningful information and a "bare bones" or confusing presentation (no graphs or other useful ways of presenting data).	*Understandable*—Report is more user-friendly, beginning to employ graphs, charts and tables to illustrate information. Specialized terminology is explained (e.g., in a glossary). However, vague language may make it difficult to understand the performance story the organization is trying to tell.	*Understandable*—The report is easy to read, with information presented in graphs, charts and tables. Specialized terminology is avoided where possible but explained if necessary. The report might be too long—containing so much information that it is difficult for the reader to identify what aspects of performance are the most significant. *Timely*—Report is produced according to the reporting and tabling deadlines prescribed in the BTAA.	*Understandable*—Fully developed reports are useful to readers because they are concise yet packed full of meaningful information.

Principle 8: Disclose key reporting judgements

Public performance reporting should disclose the basis on which information has been prepared and the limitations that should apply to its use.

In particular, public performance reports should explain:

- the basis for selecting the few, critical aspects of performance on which to focus;
- changes in the way performance is measured or presented compared to previous year(s);
- the rationale for choosing the performance measures (recognizing, for example, that meaningful quantitative measures may not be easy to identify for some programs)
- the means of providing assurance on the veracity and completeness of information presented; this may mean external validation, such as through studies done on a national basis comparing provinces or through independent assurance, and
- the basis on which those responsible for the report hold confidence in the reliability of the information being reported.

The matrix is based on the following assumptions about how organizations incorporating this principle will progress:

- from not explaining why the performance information being presented is important—to doing so
- from not explaining how performance information should be interpreted—to doing so and also explaining why the reader should have confidence in the interpretation
- from not adequately explaining changes in measuring or reporting—to doing so
- from not providing sufficient information on data reliability and limitations—to doing so by including data sources, reporting date(s) and discussions on the limitations of the data
- from not affirming management's responsibility for the information—to management affirming its ownership of the report and describing its confidence in the information.

Principle 8 — Disclose key reporting judgements

Start-up	In Process	Fundamentals in Place	Fully Incorporated
How performance is measured The report explains how performance measures are compiled. But it may not explain why the organization has chosen to focus on the aspects that it has (e.g., its goals and objectives), or why it has chosen the measures it has.	The report identifies sources of information and describes why the organization chose its goals, objectives and performance measures. The report does not identify reporting dates or describe how performance targets have been chosen. As organizations gain experience in measuring performance, and develop the capacity to do so in new ways, changes in the way performance is measured and reported are to be expected. Reports in this stage do not adequately explain why changes have occurred year over year.	The report identifies the sources of information, including a concise explanation of how measures are derived and the period data applies to. Reports in this stage explain how performance targets were selected (basis for selecting the few critical things) and why the reader should have confidence in the reliability of the information. Where changes have been made since the prior year, the report clearly explains the reasons for changes to goals, objectives or performance measures.	
Management's interpretation of results and confidence in information The report presents its results, but doesn't provide an interpretation of what it all means, leaving it up to the reader to infer.	Management publicly affirms its responsibility for the contents of the report. Reports in this stage contain management's interpretation of the results. However, management's confidence in the reliability of the information itself, or any limitations in the data, are not adequately explained. Where information is incomplete (e.g., a performance measure has been identified but no result is reported), the report provides either a baseline or indicates when the information will be available.	Management describes why it is confident that the data is relevant and reliable. The interpretation of results is reasonable, reporting both successes and shortcomings in a balanced way. Management further discloses any limitations or uncertainties in the information presented and the steps taken to validate the data.	Performance information has been corroborated to other sources to ensure its validity or has been verified by independent parties.

Appendix C: Office of the Auditor General: 2005/06 Reports Issued to Date

Report 1 – April 2005

Follow-up of the Recommendations of the Select Standing Committee on Public Accounts contained in its Fourth Report of the 3rd Session of the 36th Parliament: Earthquake; Performance Audit

Report 2 – May 2005

Joint Follow-up of 2001/2002: Report 1 Managing Interface Fire Risks and Firestorm 2003 Provincial Review

Report 3 – June 2005

Audit of the Government's Corporate Accounting System: Part 1

Report 4 – July 2005

Building Better Reports: Our Assessment of the 2003/04 Annual Service Plan Reports of Government

This report and others are available on our website at http://www.bcauditor.com

Compiled and typeset by Graphic Designer, Debbie Lee Sawin, of the Office of the Auditor General of British Columbia
and published by the Queen's Printer for British Columbia©
Victoria 2005

2005/2006 : Report 4

OFFICE OF THE

Auditor General of British Columbia

Building Better Reports:

Our Assessment of the 2003/04 Annual Service Plan Reports of Government

Appendix A:
Annual Service Plan Reports Assessed

(The Individual Assessments)

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This is Appendix A to the report *Building Better Reports: Our Assessment of the 2003/04 Annual Service Plan Reports of Government*. Information contained in these individual assessments should be used in conjunction with that report. The assessments, by Ministry and Crown corporation, set out our assessment of the degree to which the annual service plan reports have incorporated the BC Reporting Principles.

The full report, including this appendix is also available on our website at http://www.bcauditor.com or by contacting the Office directly at 250 387-6803 or toll free through Enquire BC at: 1-800 663-7867.

Appendix A: Annual Service Plan Reports Assessed

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Government-Wide

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Strategic Plan Report of the Government of British Columbia

Annual Strategic Plan Report of the Government of British Columbia

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place		◆					
In Process		●	● ◆	◇			◆
Start-up	● ◆	◇	◇	● ◆	● ◆ ◇	● ◆ ◇	● ◇

● **2003/04 Assessment** ◆ **2002/03 Assessment** ◇ **2001/02Assessment**

Principle 1: Public Purpose Served
The report lists the values that guide the government's operations.

To improve in this area the report should explain the full scope of operations that constitute the Government of British Columbia. The report should describe the range of core business areas, programs, services and products provided by government, and to whom. An overview of how the government delivers its programs and services (directly and through others,) and how it ensures others deliver what it wants, should also be included in the report. The report should better describe how government is guided by its values in delivering its programs and services. The governance structure should also be explained, including the accountability relationships between government, its ministries and its Crown corporations.

Principle 2: Link Goals and Results
The report identifies the goals and objectives of the government, and it provides measures for each of its objectives. The performance measures go beyond simple inputs to include more informative outputs. The report explains why the performance measures are relevant to the government's goals and objectives.

To improve in this area the report should fully explain the "chain of events" the government followed from its strategic planning through to its public reporting. The report also should focus on the full range of issues that concern the public and legislators including outputs and some short term outcomes. Variances between planned and actual results need to be identified and fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the government's stakeholders and to achieving its vision.

To improve in this area of reporting the report should clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The government also should explain what is critical in achieving its goals and objectives and the few critical aspects of performance.

Principle 4: Risk and Capacity
The report identifies some risks.

To improve in this area of reporting the report should summarize the key risks government faces and the strategies for prioritizing and dealing with them. The report should explain how risk management affected results. The current status of key areas of capacity should also be described, and the report should explain how government's capacity and the capacity of partners affected results.

Principle 5: Link Resources, Strategies and Results
The report contains no financial information.

To improve in this area of reporting, the report should provide basic financial information and explain planned and actual costs for each core business area, goal, objective, strategy or result achieved. The report should explain how current funding compares to past and forecast funding. Key financial variances and any changes in funding that affected the achievement of planned performance targets should also be explained. The report should provide financial trend information for expenditures and key revenue generating activities should also be described.

Principle 6: Comparative Information
The report contains trend information for most performance measures.

To improve in this area of reporting results should be reported in relation to the goals, objectives and performance measures outlined in the plan. Where goals, objectives, measures or targets are not reported as planned, full explanations should be provided. Where available and relevant, the report should include benchmark information of other governments and as well as relevant economic, social or demographic information to put its results into context. Year-over-year data inconsistencies in reporting performance measures should also be explained.

Principle 8: Disclose Basis for Key Reporting Judgements
The report describes why the government chose its objectives and performance measures.

To improve in this area of reporting the report should identify sources of information and include concise explanations of how measures are derived and the period to which data applies. The report should also explain how performance targets were selected and why the reader should have confidence in the reliability of the information presented. Results should be interpreted in a balanced way, addressing both successes and shortcomings.

Ministries

Ministry of Children and Family Development

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place						●	
In Process	●	● ◆	● ◆	●	●	◆	● ◆
Start-up	◆			◆	◆		

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. Core business areas, programs and services are described, and the report clearly identifies the ministry's clients and stakeholders. The report has begun to describe how the ministry's values guide its operations.

To improve in this area of reporting, the ministry should… explain how it delivers programs and services through others and explain how it ensures others deliver what it wants. The ministry should also describe key accountability and reporting relationships and clearly explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives, and they are consistent with the ministry's mission and public purpose. The report explains why performance measures are relevant to the to the ministry's goals and objectives. Variance between planned and actual results are identified and explained for some measures.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures. Performance measures should be provided for each objective and should focus on the full range of issues that concern the public and the legislators. The ministry should also fully explain the variances between planned and actual results.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the organization's stakeholders and to achieving it's purpose or vision. A wider array of performance information is presented than in start up. Key results are clear and readily apparent.

To improve in this area of reporting the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
Some current capacity information is presented with explanation as to the ministry's ability to deliver on its goals and objectives. The report explains how capacity affected some of the results achieved.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partner, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
Planned and actual costs are provided by core business area and key financial variances are explained.

To improve in this area of reporting the ministry should… provide key financial trend information and explain how current funding compares to past and forecast funding. The ministry should also link financial and non-financial information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report contains relevant economic, social or demographic information to put results into context. The report has begun to compare performance results against benchmark information and there is sufficient information to judge the organization's performance relative to past performance.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and describes why the ministry chose its goals, objectives, performance measures and targets.

To improve in this area of reporting, the ministry should… provide interpretations of its results. Management should describe why it is confident that the data is relevant and reliable. Where data limitations are presented, the ministry should describe the steps taken to validate the data.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of the Ministry of Transportation

Ministry of Transportation

Performance Reporting Principles							
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place					●		
In Process	● ◆	● ◆	● ◆			● ◆	● ◆
Start-up				● ◆	◆		

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and its mission. The report describes the ministry's core business areas, programs and services. Clients and key stakeholders are also described. The report has begun to describe how public sector values guide the Ministry's operations.

To improve in this area of reporting, the ministry should… clearly describe the governance structure under which it operates and its accountability relationships with key partners. How the ministry delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry should also clearly describe how it is guided by its values in delivering its programs and services.

Principle 2: Link Goals and Results
There are clear linkages between the ministry's goals and objective and they are consistent with the ministry's mission and purpose. The report provides measures for each of its objectives and explains why performance measures are relevant. Variances between planned and actual results are explained.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. The report contains a wider array of performance information than in start-up and key results are clear and readily apparent. The report explains how the ministry's performance is linked to government wide direction.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's operating environment.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The report should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and explains key financial variances. Any changes in funding that affected the achievement of planned performance targets are explained. The report identifies critical measures of efficiency.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report has one year of baseline information for most measures to compare results against. The report has begun to compare performance results against benchmark information.

To improve in this area of reporting, the ministry should… provide trend information for its performance measures so that the reader is able to judge the its performance relative to past performance. Any year over year data inconsistencies should be fully explained. Where available and relevant, the report should include benchmark information of similar organizations or best practices. Relevant economic, social or demographic information should also be presented to put the ministry's results into context.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and provides a rationale for choosing the performance measures. The period of data reported is provided for most measures. Management publicly affirms its responsibility for the contents of the report and has provided some interpretations of its results.

To improve in this area of reporting, the ministry should…explain how each of its performance targets have been selected and explain how measures are compiled and identify the period of data reported. The ministry should provide full interpretations of its results and explain why readers should have confidence in the reliability of the information presented.

Ministry of Water, Land and Air Protection

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	● ◆	● ◆	● ◆	● ◆	●	● ◆	● ◆
Start-up					◆		

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. The report describes the ministry's core business areas, programs and services and identifies clients and key stakeholders. The report has begun to describe how public sector values guide its operations.

To improve in this area of reporting, the ministry should… fully explain how services and programs are delivered, how programs and services are delivered through others and how it ensures others deliver what it wants. The ministry also needs to describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives and they are consistent with the mission and public purpose. The report provides measures for each of its objectives and explains why the measures are relevant to the ministry's goals and objectives. Variances have been identified and explained for most measures.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures. The report should also focus on the full range of issues that concern the public and legislators. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose and mission. The report explains what is critical to the organization in achieving its goals and objectives. The report contains a wider array of performance information than in start-up and explains how the ministry's performance is linked to government wide direction.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives, and measures are important and what achieving them means to the public and legislators. The report should also explain the few critical aspects of performance and ensure results are clear and readily apparent. What's important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report describes key risks in the internal and external operating environment and their expected impact on the ministry. The report describes existing resources.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report provides planned and actual costs in terms of core business areas. Current funding is compared to past and forecast funding. Key financial variances are identified and the nature of funding is described. The report begins to makes linkages between financial and other performance information by linking resources to some programs and objectives.

To improve in this area of reporting, the ministry should… fully explain key financial variances and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report has begun to compare performance results against benchmark information. Future performance targets are presented.

To improve in this area of reporting, the ministry should… include relevant economic, social or demographic information to put its results into context. The ministry should also provide trend information for its performance measures so that readers are able to judge the ministry's performance relative to past performance. Where available and relevant, the report should include additional benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and the period of data reported. The report describes why the organization chose its goals, objectives and performance measures. Where information is incomplete, the report provides baseline or additional information.

To improve in this area of reporting, the ministry should… explain how measures are compiled and how performance targets were selected. The ministry should also provide full interpretations of its results and explain why the reader should have confidence in the reliability of the information presented.

Ministry of Forests

Performance Reporting Principles							
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place			●				
In Process	◆	● ◆	◆		●	● ◆	● ◆
Start-up	●			● ◆	◆		

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. The report provides an overview of the programs and services the ministry delivers and it lists the values that guide the ministry's operations.

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs and services that it provides. The ministry should also clearly identify clients and key stakeholders. How it delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry also should describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

The report identifies the ministry's goals and objective and they are consistent with the ministry's mission and purpose. The report provides measures for each of its objectives. Variances between planned and actual results are explained.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the ministry's goals and objectives. The report should also focus on the full range of issues that concern the public and the legislators. Variances from performance targets should also be explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. The report explains what is critical to the ministry in achieving its goals and objectives. The report addresses what is important to the government at the overall corporate level, as reflected in the government's strategic plan. Key results are clear and readily apparent.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments, and also discusses how capacity affected the results achieved.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. Key areas of capacity including the capacity of partners should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas, and variances are identified. Changes in funding that affected the achievement of planned performance targets are explained. The report makes clear the nature of funding and explains key revenue generating activities.

To improve in this area of reporting, the ministry should… provide key financial trend information for expenditures and fully explain key financial variances. Explanations of how current funding compares to past and forecast funding should also be provided. The report should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. Any year-over-year data inconsistencies that could impact a reader's understanding of trends comparisons are fully explained. The report also contains relevant economic, social or demographic information to put the ministry's results into context. The report has one year of baseline information for most measures to compare results against.

To improve in this area of reporting, the ministry should… provide sufficient information to allow the reader to judge its performance relative to past performance. Where available and relevant, the report should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements

The report identifies sources of information and describes why the ministry chose its goals, objectives and performance measures. The period of data reported is provided for most measures. The report indicates when incomplete information will be available. The report clearly explains the reasons for changes to goals, objectives, or performance measures from the prior year. Management publicly affirms its responsibility for the contents of the report and has provided some interpretations of its results.

To improve in this area of reporting, the ministry should…explain how each of its performance targets have been selected, explain how measures are compiled, and disclose the period of data reported. The report should also provide full interpretations of results and explain why the reader should have confidence in the reliability of the information presented.

Ministry of Public Safety and Solicitor General

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place					●		
In Process	● ♦	● ♦	♦	●		♦	● ♦
Start-up			●	♦	♦	●	

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. The ministry's core business areas and its programs and services are also described. The report identifies clients and key stakeholders. The report lists the values that guide the ministry's operations.

To improve in this area of reporting, the ministry should… explain how it delivers programs, products or services through others, and how it ensures others deliver what it wants. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives, and they are consistent with the ministry's mission and public purpose. The report provides measures for each of its objectives and explains why the measures are relevant to the ministry's objectives. Variances between planned and actual results are identified.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures. The ministry should also focus on the full range of issues that concern the public and the legislators. Variances from performance targets should also be explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. Key results are clear and readily apparent.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The report should also explain what is critical to the ministry in achieving its goals and objectives, and address what is important to the government at the overall corporate level, as reflected in the government's strategic plan.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments. The report also describes the current status of key areas of capacity and explains when capacity affected the results achieved.

To improve in this area of reporting, the ministry should… summarize the key risks it faces, and the strategies for prioritizing and dealing with them. The report should also explain how risk management affected the results achieved.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and explains key financial variances. Any changes in funding that affected the achievement of planned performance targets are explained. The report identifies critical measures of efficiency.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures.

Principle 6: Comparative Information
The report has one year of baseline information for most measures to compare results against.

To improve in this area of reporting, the ministry should… ensure performance is clearly reported in relation to the service plan. Where goals, objectives, measures or targets are not reported as planned, full explanations must be provided. Relevant economic, social or demographic information should be presented to put the ministry's results into context. The ministry should also provide trend information for its performance measures so that readers are able to judge its performance relative to past performance. Where available and relevant, the report should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. The report identifies sources of information and describes management's confidence in the reliability of the results. Where information is incomplete the report provides either a baseline or indicates when the information will be available.

To improve in this area of reporting, the ministry should… provide a concise explanation of how measures are derived and disclose the period of data reported. An explanation of how performance targets were selected should also be provided. The ministry also should present full interpretations of its results.

Ministry of Finance

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	●	● ♦	● ♦	● ♦		● ♦	●
Start-up	♦				● ♦		♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. The ministry 's core business areas, clients and key stakeholders are also clearly described. The report has begun to describe how public sector values guide the organization's operations.

To improve in this area of reporting, the ministry should… describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives, and they are consistent with the ministry's mission and public purpose. The report explains why the measures are relevant to the ministry's goals and objectives. Performance measures go beyond just inputs and simple outputs towards including more informative outputs, and variances between planned and actual results are identified.

To improve in this area of reporting, the ministry should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. The report contains a wider array of performance information than in start –up. The report explains how the ministry's performance is linked to government wide direction.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. Key results should be clear and readily apparent. What is important to the government at the overall corporate level as reflected in the government's strategic plan should also be addressed.

Principle 4: Risk and Capacity
The report identifies key risks in the internal and external operating environment and discusses the impact of some risks. The report also describes some risk management strategies.

To improve in this area of reporting, the ministry should…clearly describe the key risks faced by the ministry, and the strategies for prioritizing and dealing with them. The ministry should explain how risk management affected results. The current status of key areas of capacity should also be described, including an explanation of how capacity affected the results achieved.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas.

To improve in this area of reporting, the ministry should… provide financial trend information and describe key cost recovery activities. Variances between planned and actual results should also be explained. Explanations of how current funding compares to past and forecast funding should be provided. The ministry should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report contains sufficient information to judge the ministry's performance relative to past performance and future performance targets are presented for most measures.

To improve in this area of reporting, the ministry should… provide relevant economic, social or demographic information to put its results into context. The ministry should also include benchmark information from other jurisdictions or similar organizations. Year-over-year data inconsistencies in reporting performance measures should also be explained.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and describes why the organization chose its goals, objectives and performance measures. Where information is incomplete, the report indicates when the information will be available. In addition, management publicly affirms its responsibility for the contents of the report and discloses some limitations in the information presented.

To improve in this area of reporting, the ministry should…explain how its performance targets have been selected and disclose the reporting period of performance data. The ministry should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented.

Ministry of Human Resources

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	● ♦	● ♦	● ♦		●	●	● ♦
Start-up				● ♦	♦	♦	

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and its mission. The ministry's core business area and its programs and services are also described. The report identifies the ministry's clients and it begins to describe accountability relationships with partners. The report has begun to describe how the ministry's values guide its operations.

To improve in this area of reporting, the ministry should… explain how it delivers programs and services through others and explain how it ensures others deliver what it wants. The ministry should also describe key accountability and reporting relationships and clearly explain how the delivery of its programs and services is guided by public sector values.

Principle 2: Link Goals and Results
There are clear linkages between the goals, objectives, and strategies and they are consistent with the ministry's mission and public purpose. The report identifies and explains some variances.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to its goals and objectives. The report should also focus on the full range of issues that concern the public and the legislators, and fully explain variances between planned and actual results.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. The report explains what is critical to the ministry in achieving its goals and objectives. Key results are clear and readily apparent. The report explains how the ministry's performance is linked to government-wide direction.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report identifies some risks in the organization's operating environments and also describes existing resources.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The report should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas. Key financial variances are identified and explained.

To improve in this area of reporting, the ministry should… provide key financial trend information and explain how current funding compares to past and forecast funding. The report should also link financial and non-financial information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report contains some demographic information which puts its results into context. Historical information is included for most measures and there is sufficient information to judge the organization's performance relative to past performance.

To improve in this area of reporting, the ministry should… where available and relevant, include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report begins to explain why performance measures were chosen. Management publicly affirms its responsibility for the contents of the report and provides interpretations for its results.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The ministry should also explain how performance targets were selected and explain why the reader should have confidence in the reliability of the information presented.

Ministry of Attorney General and Minister Responsible for Treaty Negotiations

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place	●	◆					
In Process	◆	●	◆		●	◆	● ◆
Start-up			●	● ◆	◆	●	

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report describes the ministry's core business areas and its programs and services. The ministry's clients and key stakeholders have been clearly identified. The report links the ministry's services to system indicators within the provincial justice system. The report makes clear that the ministry is guided by public sector values in delivering its programs and services.

To improve in this area of reporting, the ministry should…clearly explain the governance structure under which it operates and its key reporting relationships. How the ministry delivers programs through others and how it ensures others deliver what it wants should also be explained.

Principle 2: Link Goals and Results

The report provides measures for each of its objectives and explains why measures are relevant to the ministry's goals and objectives. Performance measures go beyond just inputs and simple outputs towards including more informative outputs. The report explains variances between planned and actual results.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures. The ministry should also focus on the full range of issues that concern the public and the legislators.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision.

To improve in this area of reporting, the ministry should... clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments. Existing resources are described.

To improve in this area of reporting, the ministry should... summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. The current status of key areas of capacity including the capacity of partners should also be described.

Principle 5: Link Resources, Strategies and Results
The report contains basic financial information and has begun to make linkages between financial and other performance information by reporting on some measures of output efficiency. Variances have been identified.

To improve in this area of reporting, the ministry should... provide key financial trend information and fully explain key financial variances. The ministry should also identify critical measures of efficiency. Explanations of how current funding compares to past and forecast funding should be provided in addition to how any changes in funding affected the achievement of planned performance targets.

Principle 6: Comparative Information
The report has one year of baseline information for most measures to compare results against.

To improve in this area of reporting, the ministry should… ensure performance is clearly reported in relation to the service plan. Results should be reported in relation to the goals, objectives and performance measures outlined in the plan. Where goals, objectives, measures or targets are not reported as planned, full explanations must be provided. The ministry should also provide trend information for its performance measures so that readers are able to judge the organization's performance relative to past performance. Where available and relevant, it should include benchmark information of similar organizations or best practices. The report should also contain relevant economic, social, or demographic information to its results into context.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. The report identifies the sources of information, including a concise explanation of how measures are derived and the period of data reported. Where changes have been made since the prior year, the report clearly explains the reasons for changes to goals, objectives, or performance measures.

To improve in this area of reporting, the ministry should…explain how each of its performance targets have been selected. The ministry should also present full interpretations of its results, and explain why readers should have confidence in the reliability of the information presented. Management should further disclose any limitations or uncertainties in the information presented and describe the steps taken to validate the data.

Ministry of Management Services

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place					●		
In Process	●	● ♦				●	
Start-up	♦		● ♦	● ♦	♦	♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. The report describes the ministry's core business areas, programs and services. Clients and key stakeholders are also identified. The report has begun to describe how public sector values guide the ministry's operations.

To improve in this area of reporting, the ministry should… explain how it delivers programs and services through others and ensures others deliver what it wants. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives, and they are consistent with the ministry's mission and purpose. The report provides measures for each of its objectives. Performance measures go beyond just inputs and simple outputs towards including more informative outputs. Variances between planned and actual results are identified.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to its goals and objectives. The report should also focus on the full range of issues that concern the public and the legislators. Variances from performance targets should also be explained.

Principle 3: Few Critical Aspects
The report explains how the organization's performance is linked to government-wide direction.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators. The report should explain what's critical to the ministry in achieving its goals and objectives, and explain what is important to the government at the overall corporate level as reflected in the government's strategic plan. Key performance results should be clear and readily apparent.

Principle 4: Risk and Capacity
The report identifies some risks in the organization's internal and external operating environments.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. The current status of key areas of capacity, including the capacity of partners, and how capacity affected results should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and variances are identified. The report identifies critical measures of efficiency.

To improve in this area of reporting, the ministry should … explain key financial variances and provide financial trend information for expenditures.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report has at least one year of baseline information for most measures and is beginning to compare performance results against benchmark information.

To improve in this area of reporting, the ministry should… provide sufficient information to allow the reader to judge its performance relative to past performance. Where available and relevant, the report should include benchmark information of similar organizations or best practices. Relevant economic, social or demographic information should also be presented to put the ministry's results into context.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies the sources of information, including a concise explanation of how measures are derived and the period that data applies to. Where information is incomplete, the report indicates when the information will be available. In addition, management publicly affirms its responsibility for the contents of the report and discloses some limitations in the information presented.

To improve in this area of reporting, the ministry should… explain why it has chosen the measures it has and how performance targets were selected. The ministry should present full interpretations of its results and explain and why readers should have confidence in the reliability of the information.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of the Ministry of Health Services

Ministry of Health Services

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	♦	● ♦	♦	●		● ♦	● ♦
Start-up	●		●	♦	● ♦		

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and its mission. An overview of the programs and services is provided. The report lists the values that guide the ministry's operations.

To improve in this area of reporting, the ministry should… describe how it delivers its programs and services, how it delivers programs through others and how it ensures others deliver what it wants. Key accountability and reporting relationships should also be described. The ministry should also clearly describe how it is guided by its values in delivering its programs and services.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives, and they are consistent with the ministry's mission and public purpose. The report provides performance measures for each objective and these measures go beyond just inputs and simple outputs towards including more informative outputs. The report explains why performance measures are relevant to the organization's goals and objectives for most measures. Variances between planned and actual results are identified. There are references to plans for the future for some measures.

To improve in this area of reporting, the ministry should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures. The report should also focus on the full range of issues that concern the public and the legislators. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the organization's stakeholders and to achieving its purpose or vision.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and explain the few critical aspects of performance. What is important to the government at the overall corporate level as reflected in the government's strategic plan should also be addressed.

Principle 4: Risk and Capacity
The report describes key capacity risks and their expected impact on the organization. The report also describes existing resources.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report contains basic financial information. Key financial variances are identified and explained by core business areas.

To improve in this area of reporting, the ministry should…fully explain planned and actual costs for each core business area and provide key financial trend information. Key revenue generating activities should be fully described. The report should also fully explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is reported in relation to the service plan. Year-over-year data inconsistencies that could impact a reader's understanding of trend comparisons are fully explained.

To improve in this area of reporting, the ministry should… include relevant economic, social or demographic information to put its results into context. The report should also provide sufficient trend information for performance measures so that readers able to judge the ministry's performance relative to past performance. Where available and relevant, the ministry should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies some sources of information and describes why the organization chose its objectives and performance measures. Management publicly affirms its responsibility for the contents of the report and provides interpretations for some of its results. Where information is incomplete, the report for the most part provides baseline information and indicates when the information will be available. Limitations in the information presented are disclosed.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The report should also describe how performance targets were selected. The ministry should provide full interpretations of its results, and explain why readers should have confidence in the reliability of the information presented.

Ministry of Sustainable Resource Management

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process		● ♦	● ♦	●	●		
Start-up	● ♦			♦	♦	● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and its mission. An overview of the programs and services is provided and key clients and market served are identified. The report has begun to describe how public sector values guide the ministry's operations

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs and services that it provides. How the it delivers programs through others and how it ensures others deliver what it wants, should also be explained. The report also needs to describe key accountability and reporting relationships, and explain how the delivery of ministry programs and services are guided by public sector values.

Principle 2: Link Goals and Results
There are clear linkages between the goals and objectives, and they are consistent with the organization's mission and public purpose. The report provides performance measures for each objective. Variances between planned and actual results are identified.

To improve in this area of reporting, the ministry should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures, and explain why performance measures are relevant to the ministry's goals and objectives. The report also should focus on the full range of issues that concern the public and legislators. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. A wider array of performance information is presented than in start up. The report explains how the organization's performance is linked to government-wide direction.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report describes key risks in the ministry's internal and external operating environments and describes their expected impact on the organization. The report also describes how the risks influence some strategies and results and describes the current status of some key areas of capacity.

To improve in this area of reporting, the ministry should… summarize the strategies for prioritizing and dealing with risks and explain how risk management strategies affected the results achieved. Key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas. Key financial variances are identified and explained. The report begins to make linkages between financial and other performance information by linking resources to goals.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures. Key revenue generating activities should be fully described. Explanations of how current funding compares to past and forecast funding should also be provided. The report should also identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is reported in relation to the service plan. Results are reported in relation to the goals, objectives and performance measures outlined in the plan.

To improve in this area of reporting, the ministry should… include relevant economic, social or demographic information to put its results into context. The ministry should also provide trend information for its performance measures so that readers are able to judge the ministry's performance relative to past performance. Where available and relevant, the report should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report explains why measures have been chosen. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The report should also explain how performance targets were selected. The ministry needs to provide full interpretations of its results, and explain why readers should have confidence in the reliability of the information presented.

Ministry of Energy and Mines

Stage of Development	Reporting Principles						
	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in place							
In process	● ♦	● ♦	● ♦				
Start-up phase				● ♦	● ♦	● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and its mission. The report describes the ministry's core business areas, programs and services. Clients and key stakeholders are also described. The report explains the governance structure under which the ministry operates and accountability relationships with key partners are also described. The report has begun to describe how public sector values guide the ministry's operations.

To improve in this area of reporting, the ministry should… clearly explain how it delivers programs through others and how it ensures others deliver what it wants. The ministry should also describe how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results
The report identifies the ministry's goals and objectives, and they are consistent with its mission and public purpose. The report provides measures for each of the ministry's objectives. Variances between planned and actual results have been identified.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the ministry's goals and objectives. The ministry should also focus on the full range of issues that concern the public and the legislators. Variances from performance targets should also be explained.

Principle 3: Few Critical Aspects:
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. A wider array of performance information is presented than in start up. Key results are clear and readily apparent.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and explain the few critical aspects of performance. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. The current status of key areas of capacity including the capacity of partners should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and variances are identified.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures and fully explain key financial variances. Explanations of how current funding compares to past and forecast funding should also be provided. The ministry should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
The report has begun to report actual performance in relation to the service plan.

To improve in this area of reporting, the ministry should… ensure performance is clearly reported in relation to the service plan. Where goals, objectives, measures or targets are not reported as planned, full explanations must be provided. Relevant economic, social or demographic information should also be presented to put the ministry's results into context. The ministry should also provide trend information for its performance measures so that the reader is able to judge the ministry's performance relative to past performance, and where available and relevant, include benchmark information of other organizations in the industry, industry standards, or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report has performance measures and presents its results. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The ministry should also explain why it has chosen the measures it has and how performance targets were selected. The ministry should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented.

Ministry of Advanced Education

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place			♦				
In Process	♦	● ♦	●				♦
Start-up	●			● ♦	● ♦	● ♦	●

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and its mission. An overview of programs and services has been provided and the report has begun to describe how values guide the ministry's operations.

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs and services that it provides. Clients and key stakeholders should be identified. How the ministry delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results
There are clear linkages between goals and objectives, and they are consistent with the ministry's mission and public purpose. The report provides measures for each of the ministry's objectives and performance measures go beyond simple inputs and outputs.

To improve in this area of reporting, the ministry should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the its goals and objectives. The ministry also should focus on the full range of issues that concern the public and the legislators. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. The report contains a wider array of performance information than in start-up and provides some of the few critical aspects of performance that legislators and the public would use to judge the ministry's success.

To improve in this area of reporting, the ministry should... clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and identify the few critical aspects of performance. Key results should be clear and readily apparent. What is important to the government at the overall corporate level as reflected in the government's strategic plan should also be addressed.

Principle 4: Risk and Capacity
Existing resources are presented.

To improve in this area of reporting, the ministry should... summarize the key risks faced by the ministry and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business area and variances are identified.

To improve in this area of reporting, the ministry should... provide financial trend information for expenditures and fully explain key financial variances. Explanations of how current funding compares to past and forecast funding should be provided. The ministry should also link financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report contains one year of baseline information for some measures.

To improve in this area of reporting, the ministry should... provide relevant economic, social or demographic information to put its results into context. The ministry should also provide sufficient information to allow the reader to judge the ministry's performance relative to past performance. Where available and relevant, the ministry should include benchmark information of similar organizations or best practices. Any year over year data inconsistencies should be fully explained.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report explains how performance measures are compiled and identifies the sources and period of data reported.

To improve in this area of reporting, the ministry should… explain why it has chosen the measures it has and explain how performance targets were selected. The ministry should provide full interpretations of its results, and explain why readers should have confidence in the reliability of the information presented.

Ministry of Agriculture, Food and Fisheries

Performance Reporting Principles							
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process		● ♦	●				
Start-up	● ♦		♦	● ♦	● ♦	● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and describes its mission. The report provides an overview of the programs and services the ministry delivers. The report has begun to describe how public sector values guide the ministry's operations.

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs, products and services that it provides. The ministry should also clearly identify clients and key stakeholders. How it delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results
There are clear linkages between the ministry's goals and objectives and they are consistent with the ministry's mission and purpose. The report provides measures for each of its objectives. Performance measures are starting to go beyond just inputs and simple outputs towards including more informative outputs. Variances between planned and actual results are identified.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the ministry's goals and objectives. The ministry should also focus on the full range of issues that concern the public and the legislators. Variances from performance targets should also be explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision. A wider array of performance information is presented than in start up.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives, and measures are important and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. What is important to the government at the overall corporate level as reflected in the government's strategic plan should also be addressed.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments.

To improve in this area of reporting, the ministry should… summarize the key risks is faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. The current status of key areas of capacity, including the capacity of partners, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and variances are identified.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures and fully explain key financial variances. Explanations of how current funding compares to past and forecast funding should be provided. The ministry should also link financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
The report has one year of baseline information for most measures to compare results against. The report has begun to compare performance against benchmark information. Year-over-year data inconsistencies have been explained.

To improve in this area of reporting, the ministry should… ensure performance is clearly reported in relation to the service plan. Results should be reported in relation to the goals, objectives and performance measures outlined in the plan. Where goals, objectives, measures or targets are not reported as planned, full explanations must be provided. The ministry should also provide trend information for its performance measures so that the reader is able to judge the organization's performance relative to past performance, and where available and relevant, include additional benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. The rationale for choosing some of the performance measures is contained in the report.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The ministry should also explain why it has chosen the measures it has and how performance targets were selected. The ministry should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of the Ministry of Small Business
and Economic Development

Ministry of Small Business and Economic Development

Stage of Development	Reporting Principles						
	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in place							
In process	●	♦				●	
Start-up phase	♦	●	● ♦	● ♦	● ♦	♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and describes its mission. The report describes the ministry's core business areas, programs and services. The report makes clear that the ministry is guided by public sector values in delivering its programs and services.

To improve in this area of reporting, the ministry should… explain how it delivers programs or services through others, and how it ensures others deliver what it wants. The report should also identify clients and key stakeholders. The ministry should clearly explain the governance structure under which it operates, and key accountability and reporting relationships should also be described.

Principle 2: Link Goals and Results
The report identifies the goals and objectives of the ministry and contains performance measures that are readily available, such as the completion of specific activities.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures, and explain why performance measures are relevant to the ministry's goals and objectives. Variances from performance targets need to be identified and fully explained. The report should also focus on the full range of issues that concern the public and the legislators.

Principle 3: Few Critical Aspects
Key results are clear and readily apparent.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives, and the few critical aspects of performance. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. The current status of key areas of capacity, including the capacity of partners, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas, and variances are identified.

To improve in this area of reporting, the ministry should…provide financial trend information for expenditures and fully explain key financial variances. Explanations of how current funding compares to past and forecast funding should also be provided. The report should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report contains relevant economic, social or demographic information to put its results into context.

To improve in this area of reporting, the ministry should…provide trend information for its performance measures so that readers are able to judge its performance relative to past performance. Where available and relevant, the report should include benchmark information of similar organizations or best practices.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of the Ministry of Small Business
and Economic Development

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. The report explains how some performance measures are compiled.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The ministry should also explain why it has chosen the measures it has and explain how performance targets were selected. The report should provide full interpretations of results, and explain why the reader should have confidence in the reliability of the information presented.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of the Ministry of Community, Aboriginal and Women's Services

Ministry of Community, Aboriginal and Women's Services

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process		● ♦					
Start-up	● ♦		● ♦	● ♦	● ♦	● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains the ministry's public purpose and mission. Core business areas, programs and services are described.

To improve in this area of reporting, the ministry should… describe how it delivers programs through others and how it ensures others deliver what it wants. Key clients and markets served should be clearly identified. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results
There are clear linkages between most of the goals and objectives, and they are consistent with the organization's mission and public purpose. Measures go beyond just inputs and simple outputs towards including more informative outputs. Variances between planned and actual results are identified and explained for some of the measures.

To improve in this area of reporting, the ministry should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to its goals and objectives. Performance measures should be provided for each objective. The ministry should focus on the full range of issues that concern the public and the legislators. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
A wider array of performance information is presented which provides some of the few critical aspects of performance.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The ministry should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance. Key results should be clear and readily apparent. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
Existing resources are described.

To improve in this area of reporting, the ministry should… summarize the key risks faced by the ministry and the strategies for prioritizing and dealing with them. The ministry should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and variances are identified.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures and fully explain key financial variances. Explanations of how current funding compares to past and forecast funding should be provided. The ministry should also link financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
The report contains some economic and demographic information to put its results into context.

To improve in this area of reporting, the ministry should… clearly report in relation to the service plan. Relevant economic, social or demographic information should be presented to put results into context. The ministry should also provide sufficient information to allow readers to judge the ministry 's performance relative to past performance. Where available and relevant, the ministry should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report explains why goals and some measures have been chosen. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The ministry should also explain why it has chosen the measures it has and how performance targets were selected. The ministry should provide full interpretations of its results, and explain why readers should have confidence in the reliability of the information presented.

Ministry of Education

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	♦	♦	● ♦			♦	♦
Start-up	●	●		● ♦	● ♦	●	●

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and describes its mission. The report provides an overview of the programs and services the ministry delivers. The report lists the values that guide the ministry's operations.

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs and services that it provides. The ministry should also clearly identify clients and key stakeholders. How it delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

The report identifies the goals and objectives of the ministry, and it provides measures for each of its objectives.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the ministry's goals and objectives. Variances from performance targets need to be identified and fully explained. The ministry also needs to focus on the full range of issues that concern the public and the legislators.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the organization's stakeholders and to achieving its purpose or vision. The report contains a wider array of performance information than in start-up. Key results are clear and readily apparent.

To improve in this area of reporting, the ministry should…clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. It should also explain what is critical to the ministry in achieving its goals and objectives, and address what is important to the government at the overall corporate level, as reflected in the government strategic plan.

Principle 4: Risk and Capacity
The report identifies some risks.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry should also explain how risk management strategies affected results. The current status of key areas of capacity (including the capacity of partners) and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and variances are identified.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures. Variances between planned and actual results should be explained. The ministry should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
There is one year of baseline information for most measures to compare results against. The report has begun to compare performance results against benchmark information.

To improve in this area of reporting, the ministry should… report actual performance in relation to the service plan. Results should be reported in relation to the goals, objectives and performance measures outlined in the plan. The ministry should also ensure the report contains sufficient information to judge its performance relative to past performance. Where available and relevant, the ministry should include additional benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and describes why the ministry chose its performance measures. The report discloses limitations in some of the data.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the period of data reported. The ministry should also explain how performance targets were selected. Where changes have been made since the prior year, the ministry should clearly explain reasons for changes to goals, objectives or performance measures. The ministry should provide full interpretations of its results and explain why readers should have confidence in the reliability of the information presented. The ministry should also explain the steps taken to validate data where limitations in the data has been disclosed.

Ministry of Provincial Revenue

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	♦	● ♦	♦				
Start-up	●		●	● ♦	● ♦	● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the ministry's public purpose and describes its mission. The report describes the ministry's clients and key stakeholders. The report provides an overview of the programs and services the ministry delivers and it lists the values that guide the ministry's operations.

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs and services that it provides. How it delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry also should describe key accountability and reporting relationships and explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results

The report identifies the goals and objectives of the ministry and they are consistent with its mission and public purpose. The report provides measures for each of its objectives. Performance measures go beyond just inputs and simple outputs towards including more informative outputs. Variances between planned and actual results have been identified.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures. The ministry should also explain why performance measures are relevant to the ministry's goals and objectives. Variances between planned and actual results should also be explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the ministry's stakeholders and to achieving its purpose or vision.

To improve in this area of reporting, the ministry should... clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators. The ministry also should explain what is critical in achieving its goals and objectives and the few critical aspects of performance. Key performance results should be clear and readily apparent. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be explained.

Principle 4: Risk and Capacity
The report identifies some risks in the ministry's internal and external operating environments.

To improve in this area of reporting, the ministry should... summarize the key risks it faces and the strategies for prioritizing and dealing with them. The ministry also should explain how risk management strategies affected results. The current status of key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas.

To improve in this area of reporting, the ministry should... provide financial trend information for expenditures and describe key cost recovery activities. Variances between planned and actual results should also be explained. The report should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
There is sufficient consistency in the format and structure of the plan and report to allow readers to understand the connection between the two documents. The report contains one year of baseline information for most measures.

To improve in this area of reporting, the ministry should... provide relevant economic, social or demographic information to put its results into context. The ministry should also provide sufficient information to allow the reader to judge its performance relative to past performance. Where available and relevant, the report should include benchmark information of similar organizations or best practices. Any year over year data inconsistencies should be fully explained.

Principle 8: Disclose the Basis for Key Reporting Judgements

The report has performance measures and presents its results. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources and period of data reported. The ministry should also explain why it has chosen the measures it has and how performance targets were selected. The ministry should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented. Management should also disclose any limitations or uncertainties in the information presented and the steps taken to validate the data.

Ministry of Skills Development and Labour

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process		♦				♦	
Start-up	● ♦	●	● ♦	● ♦	● ♦	●	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report has begun to explain the organization's public purpose explains the ministry's mission. The report also provides an overview for some of the programs and services the ministry delivers. The report identifies clients and key stakeholders. The report lists the values that guide the ministry's operations.

To improve in this area of reporting, the ministry should… fully describe its core business areas and the programs and services that it provides. How it delivers programs through others and how it ensures others deliver what it wants should also be explained. The ministry should also describe key accountability and reporting relationships and explain how the delivery of its programs and services is guided by public sector values.

Principle 2: Link Goals and Results
The report provides measures for each of its goals and objectives. Variances between planned and actual results are identified.

To improve in this area of reporting, the ministry should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to its goals and objectives. Variances from performance targets should be fully explained. The report should also focus on the full range of issues that concern the public and the legislators.

Principle 3: Few Critical Aspects
The report identifies goals and objectives.

To improve in this area of reporting, the ministry should… clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators. The ministry should explain what is critical to achieving its goals and objectives, and focus on the few critical aspects of performance. Key performance results should be clear and readily apparent. What is important to the government at the overall corporate level, as reflected in the government's strategic plan, should also be addressed.

Principle 4: Risk and Capacity
The report identifies some risks.

To improve in this area of reporting, the ministry should… summarize the key risks it faces and the strategies for prioritizing and dealing with them. The report should also explain how risk management strategies affected results. The current status of key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved should also be described.

Principle 5: Link Resources, Strategies and Results
The report explains planned and actual costs in terms of core business areas and financial variances are explained.

To improve in this area of reporting, the ministry should… provide financial trend information for expenditures. Explanations of how current funding compares to past and forecast funding should also be provided. The report should also explain the linkage between financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
There is one year of baseline information for most measures to compare results against. The report contains some economic and demographic information.

To improve in this area of reporting, the ministry should… clearly report in relation to the service plan. Results need to be reported in relation to the goals, objectives and performance measures outlined in the plan. Relevant economic, social or demographic information should be presented to put the ministry's results into context. The report should also provide sufficient information to allow readers to judge the ministry 's performance relative to past performance. Where available and relevant the ministry should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report presents results.

To improve in this area of reporting, the ministry should… explain how measures are compiled and identify the sources of information and the period of data reported. The ministry should also explain why it has chosen the measures it has and how performance targets were selected. The ministry should provide full interpretations of its results, and explain why readers should have confidence in the reliability of the information presented.

Crown Corporations

British Columbia Hydro and Power Authority (BC Hydro)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place	●	● ♦	● ♦	● ♦		● ♦	
In Process	♦				● ♦		♦
Start-up							●

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report describes BC Hydro's core business areas, and the programs, services or products provided by these. The report clearly identifies clients, key stakeholders and the markets served. The report for the most part explains how the organization delivers programs, products or services through others, and how it ensures others deliver what it wants. The report makes it clear that the organization is guided by its stated values in delivering its programs, products and services. The report describes how the missions of subsidiaries are aligned with BC Hydro's own mission.

Principle 2: Link Goals and Results

The report explains why performance measures are relevant to the organization's goals and objectives. The report explains variances between planned and actual results. Performance measurement focuses on a range of issues of public concern, including outputs and some short-term outcomes. There are clear linkages between the goals & objectives, and they are consistent with BC Hyrdro's mission and public purpose. The report explains the "chain of events" the organization followed from its vision, mission and mandate, to its goals, objectives and strategies, through to its performance monitoring and measuring and concluding with its public reporting.

Principle 3: Few Critical Aspects
The report clearly states why goals, objectives and measures are important, and what achieving them means to the public and legislators. The report explains what's critical to the organization in achieving its goals and objectives. Key results (financial and non-financial) are clear and readily apparent. The report address what's important to the government at the overall corporate level as reflected in the government's strategic plan. The report makes appropriate reference to companion documents providing more detail and where they can be accessed.

Principle 4: Risk and Capacity
The report summarizes the key risks faced by the organization, and the strategies for prioritizing and dealing with them. The report explains how risk management affected results. The report summarizes the impact of its strategies and actions in managing risks. The report explains how capacity affected the results achieved, including the capacity of partners. The report identifies critical areas where the organization needs to build capacity in order to succeed in the long term. Where there a was shift in the organization's mandate, goals, strategies and/or program delivery since the last report, the report explains what the consequences have been or will likely be on the organization's ability to deliver results in the future.

To improve in this area of reporting, BC Hydro should... describe the current status of key areas of capacity.

Principle 5: Link Resources, Strategies and Results
The report contains basic financial information, such as financial statements. Financial information is supported by a discussion and analysis from management. Some changes in funding that affected the achievement of planned performance targets are explained. The report identifies critical measures of efficiency. The report explains key financial variances. The report provides key financial trend information, such as for expenditures. The report explains how current funding compares to past and forecast funding. The report makes clear the nature of funding and explains key revenue generating activities.

To improve in this area of reporting, BC Hydro should... explain planned and actual costs in terms of core business areas; key goals, objectives, strategies; or, results achieved.

Principle 6: Comparative Information
For most performance measures, the report contains sufficient information to judge the organization's performance relative to past performance, allowing the reader to understand whether performance is improving, deteriorating or remaining unchanged. The report includes benchmark information of other similar organizations. Future performance targets are presented for most of the performance measures. The report contains some relevant economic, social or demographic information to put its results into context.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and describes why the organization chose its goals, objectives and performance measures. Where changes have been made since the prior year, the report clearly explains the reasons for changes to goals, objectives or performance measures. Management publicly affirms its responsibility for the contents of the report. Management's interpretation of the results is presented for some performance measures.

To improve in this area of reporting, BC Hydro should... describe why it is confident that the data presented is relevant and reliable as well as disclosing any limitations or uncertainties in the information presented and the steps taken to validate the data. The report should include management's interpretation of results for all measures reporting both successes and shortcomings in a balanced way. The report also should identify reporting dates and describe how performance targets have been chosen.

British Columbia Buildings Corporation (BCBC)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place		● ♦	● ♦			●	● ♦
In Process	● ♦			● ♦	●	♦	
Start-up					♦		

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains BCBC's public purpose and its mission. The report describes BCBC's core business areas and its programs and services. Clients, key stakeholders and the markets served are clearly described. BCBC's governance structure is explained and the report clearly describes how BCBC is guided by public sector values in delivering its programs and services. Accountability relationships with key partners are described.

To improve in this area of reporting, BCBC should… explain how it delivers services through others and how it ensures others deliver what it wants.

Principle 2: Link Goals and Results

There are clear linkages between the goals and objectives, and they are consistent with BCBC's mission and public purpose. The report explains why performance measures are relevant to BCBC's goals and objectives. Performance measurement focuses on the full range of issues that concern the public and legislators. The report also explains variances between planned and actual results, and there are references to plans for the future.

To improve in this area of reporting, BCBC should… more clearly explain the linkages between its mission, goals, objectives, strategies and performance measures.

Principle 3: Few Critical Aspects
The report clearly states why goals and measures are important, and what achieving them means to the public and legislators. The report contains the "few critical aspects of performance" that legislators and the public would use to judge the corporation's success. Key results are clear and readily apparent. The report explains how BCBC's performance is linked to government-wide direction.

To improve in this area of reporting, BCBC should… better *explain what's critical to the corporation in achieving its goals and objectives.*

Principle 4: Risk and Capacity
The report identifies key risks in BCBC's internal and external operating environment and describes their expected impact on the corporation.

To improve in this area of reporting, BCBC should… summarize the key risks faced by the corporation and the strategies for prioritizing and dealing with them. BCBC also should explain how risk management strategies affected results. The current status of key areas of capacity, including the capacity of partners, and the impact of capacity on the results achieved should also be described.

Principle 5: Link Resources, Strategies and Results
The report contains financial statements and they are supported by a discussion and analysis from management. The report explains financial variances and provides key financial trend information. In addition, the report explains how current revenues compare to past and forecast revenues, and explains key revenue generating activities. The report identifies critical measures of efficiency.

To improve in this area of reporting, BCBC should… explain planned and actual costs in terms of core business areas, key goals, objectives and strategies, or results achieved.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. The report contains sufficient information to judge BCBC's performance relative to past performance for most performance measures. Where available and relevant, the report includes benchmark information of similar organizations or best practices. Some future performance targets have been presented.

To improve in this area of reporting, BCBC should… enhance the discussion of relevant economic, social or demographic information to put its results into context, and explain any year-over-year data inconsistencies that could impact a reader's understanding of trend comparisons.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information including a concise explanation of how measures are derived and the period of data reported. The report explains how performance targets were selected and how management interprets its results. Where changes have been made since the prior year, the report clearly explains the reasons for changes to performance measures.

To improve in this area of reporting, BCBC should… provide either a baseline for incomplete information or indicate when information will be available. BCBC should also describe why it is confident that the data is relevant and reliable.

British Columbia Lottery Corporation (the Corporation)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place			●		●	●	
In Process	● ♦	● ♦	♦	●	♦	♦	
Start-up				♦			● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report describes the Corporation's core business areas, and clearly identifies clients, key stakeholders and the markets served. The report identifies the governance structure under which the Corporation operates. It also explains the interrelationship between the Board of Directors and Management. The report explains how the Corporation delivers programs, products or services through others.

To improve in this area of reporting, the British Columbia Lottery Corporation should… better explain how public sector values guide the Corporation's operations.

Principle 2: Link Goals and Results

There are clear links between the goals and objectives and they are consistent with the Corporation's mission and public purpose. The report explains why performance measures are relevant to the Corporation's goals and objectives. Performance measurement focuses on a range of issues of public concern, including outputs and some short-term financial outcomes.

To improve in this area of reporting, the British Columbia Lottery Corporation should… better explain the chain of events between goals, objectives and strategies, and measures used to assess performance.

Principle 3: Few Critical Aspects
The report clearly states why goals, objectives and measures are important to stakeholders and has explained what is critical to the Corporation achieving its goals and objectives. The report focuses on a few critical aspects of performance but, is presented in too much detail or geared towards satisfying many diverse stakeholder groups, rather than focusing solely on telling a coherent performance story to an external audience. Key results (financial and non-financial) are clear and readily apparent. The report addresses what's important to the government at the overall corporate level as reflected in the government's strategic plan.

Principle 4: Risk and Capacity
The report describes key risks in the internal and external operating environment (including critical capacity issues) and their expected impact on the Corporation. The report partly describes the current status of key areas of capacity, but does not include performance information related to capacity.

To improve in this area of reporting, the British Columbia Lottery Corporation should…explain how risks have influenced strategy and impacted on actual performance results. The report should also better describe current capacity, describe how this impacts the Corporation's ability to deliver on its goals and objectives, and how capacity affected the results achieved.

Principle 5: Link Resources, Strategies and Results
Financial information is supported by a discussion and analysis from management and has explained key financial variances – what happened and why. The report provides key financial trend information and has explained how current funding compares to past and forecast funding. The report makes clear the nature of funding and explains key revenue generating activities. Resources are linked to outputs to explain the efficiency and economy of operations. The report explains planned and actual costs in terms of core business areas.

Principle 6: Comparative Information
The report contains some relevant economic, social or demographic information to put its results into context. For most performance measures, the report contains sufficient information to judge the organization's performance relative to past performance, allowing the reader to understand whether performance is improving, deteriorating or remaining unchanged. The report contains multi-year trend data for funding, outputs and outcomes, and these trends are related to expectations for future performance.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. Where information is incomplete, the report provides either a baseline or indicates when the information will be available. The report explains how performance measures are compiled.

To improve in this area of reporting, the British Columbia Lottery Corporation should… explain why it has chosen to focus on the aspects that it has (e.g., its goals and objectives), and why it has chosen the measures and targets it has. The report should also provide management's interpretation of the meaning of planned vs. actual performance, and why the reader should have confidence in the reliability of the information.

Oil and Gas Commission (the Commission)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place	●					●	
In Process	♦	● ♦	●	● ♦	●		●
Start-up			♦		♦	♦	♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the Commission's public purpose and its mission. The report identifies the clients, key stakeholders and market served as well as the core business areas and services provided. The Commission 's governance structure is explained and the report clearly describes how the Commission is guided by public sector values in delivering its programs and services.

Principle 2: Link Goals and Results

There are clear linkages between the Commission's goals and objectives and they are consistent with its mission and public purpose. The report contains performance measures that are readily available such as inputs and simple outputs. The report explains why performance measure are relevant for some of the Commission's goals and objectives. The report explains some variances between planned and actual results.

To improve in this area of reporting, the Commission should… provide performance measures for each of its objectives and explain why the measures are relevant to the its goals and objectives. The Commission also should fully explain the linkages between its mission, goals, objectives, strategies and performance measures and focus on the full range of issues that concern the public and the legislators. Variances between planned and actual results should be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on goals and objectives that are critical to the Commission's stakeholders and to achieving its purpose and mission. The report contains a wider array of performance information than a report in start-up, but is missing measures related to some critical goals or objectives. The report explains how the Commission's performance is linked to government wide direction.

To improve in this area of reporting, the Commission should... clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The Commission also should explain what is critical in achieving its goals and objectives and explain the few critical aspects of performance.

Principle 4: Risk and Capacity
The report describes key risks in the Commission's internal and external operating environment and describes some risk management strategies. The report describes how some risks affected results. The report describes the current status of key areas of capacity and identifies critical areas where the Commission needs to build capacity in order to succeed in the long term. The report states that the Commission has the necessary funds, infrastructure and people in place to meet its objectives.

To improve in this area of reporting, the Commission should... summarize the key risks faced by the Commission and the strategies for prioritizing and dealing with them. The Commission should explain how risk management strategies affected results and summarize the impact of its strategies and actions in managing risks and capacity constraints.

Principle 5: Link Resources, Strategies and Results
The report contains financial statements and they are supported by a discussion and analysis from management. The report explains some financial variances and provides planned and actual costs in terms of goals and objectives. The report provides future trend information. The report makes clear the nature of funding and explains the key revenue generating activities.

To improve in this area of reporting, the Commission should... identify critical measures of efficiency and provide financial trend information for expenditures. The report also should provide explanations of key financial variances.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan with results being reported in relation to the goals, objectives and performance measures outlined in the plan. The report has benchmarked performance against that of similar organizations. The report contains very limited historical results information against in which to compare current performance, due to the change in measures. Future performance targets are presented, but not in the context of current performance.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information and describes why the Commission chose its goals, objectives and performance measures. Management publicly affirms its responsibility for the content of the report. The report notes that the reader should have confidence in the reliability of the information by stating why management is confident that the data is relevant and reliable. Where information is incomplete (performance measure identified but no result reported), the report indicates when the information will be available.

To improve in this area of reporting, the Oil and Gas Commission should… explain how performance targets were chosen. The report also should ensure that all performance measures include a description of how the measure is derived, the period the data applies to, and any limitations or uncertainties in the data. The report should also identify the steps management has taken to validate performance data.

British Columbia Housing Management Commission (the Commission)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place						●	
In Process	● ♦	● ♦	● ♦	●	● ♦	♦	♦
Start-up				♦			●

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report adequately explains the Commission's public purpose, as outlined in enabling legislation, and its mission. Core business areas and the programs, services and products provided are described and the report explains how services are delivered through others. Clients, stakeholders and the market served are clearly identified. The Commission's governance structure is explained and the report lists the values that guide its operations.

To improve in this area of reporting, the Commission should… describe how it ensures others deliver what it wants when programs and services are delivered through others. Key accountability and reporting relationships with partners should be described. The commission also needs to clearly describe how it is guided by its values in delivering its programs and services.

Principle 2: Link Goals and Results
There are clear linkages between goals and objectives, and they are consistent with the Commission's mission and public purpose. The report explains why some performance measures are relevant to the organization's goals and objectives. The report provides performance measures for each objective, going beyond just inputs and simple outputs towards including more informative outputs. Variances between planned and actual results are identified and explained for some measures.

To improve in this area of reporting, the Commission should... clearly explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why all performance measures are relevant to its goals and objectives. The report should also focus on the full range of issues that concern the public and legislators, including outputs and some short term outcomes. Variances between planned and actual results need to be fully explained, and an informed discussion of what adjustments the organization intends to make to plans for the future should also be included.

Principle 3: Few Critical Aspects
The report explains why goals and measures are important and what achieving them means to the public and legislators. A wider array of performance information is presented than in start up. The report addresses what is important to the government at the overall corporate level as reflected in the government's strategic plan and the Shareholder's Letter of Expectations.

To improve in this area of reporting, the Commission should... clearly explain what is critical to the organization in achieving its goals and objectives. Key financial and non-financial results should be clear and readily apparent. Performance measures should focus on the few critical aspects of performance and on telling a coherent performance story to an external audience.

Principle 4: Risk and Capacity
The report summarizes the key risks faced by the organization and the strategies for dealing with them. The report begins to address how risk management affected results. The report describes the current status of key areas of capacity such as housing and funding and includes performance information related to capacity.

To improve in this area of reporting, the Commission should... summarize its strategies for prioritizing and dealing with risks, and the impact of its strategies and actions in managing risk or capitalizing on its opportunities and explain how risk management affected results. The Commission should also describe whether current capacity was sufficient to meet its goals and objectives and should explain how its capacity and the capacity of partners affected the results achieved.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Report of the British Columbia Housing Management Commission

Principle 5: Link Resources, Strategies and Results
The report contains basic financial information including audited financial statements. The report contains key financial trend information and explains how current funding compares to past and forecast funding. The nature of funding is clear and key revenue generating activities are described.

To improve in this area of reporting, the Commission should…fully explain key financial variances and include planned and actual costs in terms of core business areas, key goals, objectives, strategies, or results achieved. Financial and non-financial information should be linked and critical measures of efficiency identified.

Principle 6: Comparative Information
Actual performance is reported in relation to the service plan. Results are reported in relation to the goals, objectives and performance measures outlined in the plan. There is sufficient consistency in the format and structure of the plan and report to allow readers to understand the connection between the two documents. For most measures, the report contains two to three year historical data and future performance targets. The report includes benchmark information.

To improve in this area of reporting, the Commission should… include more relevant economic, social or demographic information to put its results into context.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies sources of information, period of data, and describes why the organization chose its goals and performance measures. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, the Commission needs to… explain why objectives and targets were chosen and how targets were derived. The commission should tell the reader why they should have confidence in the reliability of the information. Management should also provide an interpretation of the results in a reasonable manner, reporting both successes and shortcomings in a balanced way.

British Columbia Transit Authority (BC Transit)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place				●	●	♦	
In Process	● ♦	♦	● ♦	♦	♦		♦
Start-up		●				●	●

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report explains BC Transit's public purpose and its mission. The report describes BC Transit's core business areas and the programs and services it provides. Clients, key stakeholders and the markets served are also described. BC Transit's governance structure is clearly explained and the report has begun to describe how public sector values guide BC Transit's operations.

To improve in this area of reporting, BC Transit should… clearly describe how it delivers programs and services through others and how it ensures others deliver what it wants. BC Transit also should clearly describe how it is guided by its values in delivering programs and services.

Principle 2: Link Goals and Results
The report identifies BC Transit's goals and objectives. The report provides measures for each of its objectives and measures go beyond just inputs and simple outputs. Variances between planned and actual results are identified.

To improve in this area of reporting, BC Transit should… fully explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the its goals and objectives. Variances from performance targets need to be fully explained. BC Transit also should focus on the full range of issues that concern the public and the legislators.

Principle 3: Few Critical Aspects
The report has begun to focus on goals and objectives that are critical to BC Transit's stakeholders and to achieving its purpose and mission. The report contains a wider array of performance information than in start-up and explains how BC Transit's performance is linked to government wide direction. Key results are clear and readily apparent.

To improve in this area of reporting, BC Transit should... clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. BC Transit also should explain what is critical in achieving its goals and objectives and the few critical aspects of performance.

Principle 4: Risk and Capacity
The report summarizes the key risks faced by BC Transit and the strategies for prioritizing and dealing with them. The report explains how risk management strategies affected its results and summarizes the impact of BC Transit's strategies and actions in managing risks. The report explains how capacity, including the capacity of partners, affected the results achieved. The report partially identifies critical areas where the corporation needs to build capacity in order to succeed in the long term.

To improve in this area of reporting, BC Transit should... describe the current status of key areas of capacity, including the capacity of its partners.

Principle 5: Link Resources, Strategies and Results
The report contains financial statements and they are supported by a discussion and analysis from management. The report explains financial variances and provides financial trend information. Key revenue generating activities are explained and the report compares past sales to current sales. The report explains BC Transit's decisions regarding strategies within the context of available funding and identifies critical measures of efficiency.

Principle 6: Comparative Information
The report provides trend information for BC Transit's performance measures and future performance targets are presented. Where available and relevant, the report includes benchmark information of similar organizations in the same sector. The report contains some relevant economic and demographic information to put BC Transit's results into context.

To improve in this area of reporting, BC Transit should... clearly report in relation to its service plan. Results need to be reported in relation to the goals, objectives and performance measures outlined in the plan. Where goals, objectives, measures or targets are not reported as planned, full explanations should be provided. Relevant economic, social or demographic information should also be presented to put BC Transit's results into context.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report and the report contains some interpretations of results.

To improve in this area of reporting, BC Transit should… explain how measures are compiled and identify the sources of information and the period of data reported. BC Transit also should explain why it has chosen the measures it has and how performance targets were selected. BC Transit should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented.

British Columbia Securities Commission (the Commission)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place				●			
In Process	● ♦	● ♦	● ♦	♦	● ♦		
Start-up						● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report describes the Commission's core business areas, and clearly identifies clients, key stakeholders and markets served. The report also clearly explains the governance structure under which the Commission operates when referring to their board and to their accountability to government. Similarly, the accountability relationship with their key partners is described.

To improve in this area of reporting, the Commission should…list its organizational values and make clear that it is guided by these values in delivering these programs.

Principle 2: Link Goals and Results
The report explains the "chain of events" the Commission followed from its vision, mission and mandate, to its goals, objectives and strategies, through to its performance monitoring and measuring. The report explains why performance measures are relevant to the Commission's goals and objectives. The report provides simple output measures for each of its objectives.

To improve in this area of reporting, the Commission should… fully report measures for each of its objectives focusing on the full range of issues that concern the public and legislators including outputs and some short term outcomes. The Commission also should explain variances between planned and actual results.

Principle 3: Few Critical Aspects
The report clearly states why goals, objectives and measures are important, and what achieving them means to the public and legislators. The report explains what's critical to the Commission in achieving its goals and objectives. The report contains a wider array of performance information than in start-up, but is missing measures related to some critical goals or objectives. The report begins to explain how the organization's performance is linked to government-wide direction.

To improve in this area of reporting, the Commission should… fully report on the few critical aspects of performance that the legislators and the public would use to judge the organization's success. Also, the Commission needs to clearly describe what is important to government at the overall corporate level.

Principle 4: Risk and Capacity
The report summarizes the key risks faced by the Commission, and the strategies for prioritizing and dealing with them. The report explains how risk management affected results and summarizes the impact of the Commission's strategies and actions in managing risks. The report is beginning to explain the Commission's capacity to deliver on goals and objectives.

To improve in this area of reporting, the Commission should… describe key areas of capacity and explain how capacity affected the results achieved, including the capacity of partners.

Principle 5: Link Resources, Strategies and Results
Financial information is supported by a discussion and analysis from management. The report explains key financial variances – what happened and why, and provides key financial trend information for revenues and expenditures. In addition, the report explains how current revenues compare to past and forecast revenues and clearly explains the sources of revenue and key revenue generating activities.

To improve in this area of reporting, the Commission should…explain planned and actual costs in terms of core business areas, key goals, objectives, strategies, or results achieved. Also, the report needs to link financial and other performance information and identify critical measures of efficiency.

Principle 6: Comparative Information
There is sufficient consistency in the format and structure of the service plan and report to allow readers to understand the connection between the two documents.

To improve in this area of reporting, the Commission should…report results clearly in relation to the goals, objectives and performance measures outlined in the plan, including relevant economic, social or demographic information to put its results into context. The Commission also should provide trend information for its performance measures so that the reader is able to judge the organization's performance relative to past performance, and where available and relevant, include benchmark information of other organizations in the industry, industry standards, or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report describes why the Commission chose its goals, objectives and performance measures. The report presents results, but doesn't provide an interpretation of what it all means, leaving it up to the reader to infer.

To improve in this area of reporting, the Commission should… identify sources of information and reporting dates, including a concise explanation of how measures are derived. The report should explain how performance targets have been selected and why the reader should have confidence in the information being presented to them. Also, management should describe why it is confident that the data is relevant and reliable, and interpret its results in a reasonable manner, reporting both successes and shortcomings in a balanced way. Management should further disclose any limitations or uncertainties in the information presented and the steps taken to validate the data.

Insurance Corporation of British Columbia (ICBC)

Stage of Development	Performance Reporting Principles						
	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place					●	♦	
In Process	● ♦	● ♦	● ♦	♦	♦	●	♦
Start-up				●			●

● 2003/2004 Assessment ♦ 2002/2003 Assessment

Principle 1: Public Purpose Served
The report describes ICBC's core business areas, and the products and services provided. The report clearly identifies clients, key stakeholders, and the market served. The report clearly explains the governance structure under which ICBC operates and it lists the values that guide ICBC's operations. The report explains other factors that are critical to understanding ICBC's performance. The report also describes how the mission of its subsidiary is aligned with the corporation.

To improve in this area of reporting, ICBC should… clearly explain how it delivers products and services through others and how it ensures others deliver what it wants. ICBC should also describe how the delivery of its programs and services is guided by public sector values.

Principle 2: Link Goals and Results
Linkages between ICBC's goals, mission and public purpose are explained. The report explains why performance measures are relevant to ICBC's goals. Performance measures go beyond just inputs and simple outputs towards including more informative outputs. The report explains variances between planned and actual results.

To improve in this area of reporting, ICBC should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures. ICBC also should focus on the full range of issues that concern the public and legislators.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to ICBC's stakeholders and to achieving its vision. The report contains a wider array of performance information than in start-up, but is missing measures related to some critical goals or objectives.

To improve in this area of reporting, ICBC should… clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators. ICBC should explain what's critical in achieving its goals and objectives and the few critical aspect of performance. Key performance results should be clear and readily apparent.

Principle 4: Risk and Capacity
The report identifies some risks in ICBC's internal and external operating environments.

To improve in this area of reporting, ICBC should… summarize the key risks faced by the corporation and the strategies for prioritizing and dealing with them. ICBC should explain how risk management strategies affected results. Key areas of capacity, including the capacity of partners and the impact of capacity on the results achieved, should also be described.

Principle 5: Link Resources, Strategies and Results
The report contains financial statements and they are supported by a discussion and analysis from management. The report explains planned and actual costs in terms of core business areas and identifies critical measures of efficiency. The report provides key financial trend information and explains how current revenues compare to past and forecast revenues. The report explains key financial variances. The report also makes clear the nature of revenues and explains key revenue generating activities.

Principle 6: Comparative Information
There is sufficient consistency in the format and structure of the plan and report to allow readers to understand the connection between the two documents. The report contains sufficient information to judge the organization's performance relative to past performance for most performance measures.

To improve in this area of reporting, ICBC should…ensure that its results are reported in relation to the goals, objectives and performance measures outlined in the service plan and provide relevant economic, social or demographic information to put its results into context. ICBC also should provide trend information for its performance measures and, where available and relevant, ICBC should include current benchmark information of similar organizations in the industry, industry standards, or best practices. Also, ICBC should fully explain any year-over-year data inconsistencies that could impact a reader's understanding of trend comparisons.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report identifies the sources of information, including a concise explanation of how measures are derived and the period of data reported. Management provides some interpretations of the results and publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, ICBC should… explain how performance targets were selected. Where changes have been made since the prior year or information is incomplete, ICBC should clearly explain the reasons for the changes to goals, objectives and performance measures. ICBC should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented. Management also should disclose any limitations or uncertainties in the information presented and the steps taken to validate the data.

British Columbia Assessment Authority (the Authority)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place						◆	
In Process	● ◆	● ◆	● ◆	●	●	●	◆
Start-up				◆	◆		●

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report adequately explains the Authority's public purpose as outlined in enabling legislation and adequately explains the Authority's mission. The report describes the Authority's core business areas and the product produced, and clearly identifies key clients and the market served. The report explains the governance structure and accountability relationship to the Board of Directors. The report has begun to describe how public sector values guide the Authority's operations.

To improve in this area of reporting, the Authority should … describe its services, including how it delivers them, how it delivers programs through others and how it ensures others deliver what it wants. The Authority should to clearly describe how it is guided by its values in delivering its programs and services.

Principle 2: Link Goals and Results
There are clear linkages between the goals and objectives, and they are consistent with the Authority's mission and public purpose. The report provides performance measures for each objective and these measures go beyond just inputs and simple outputs towards including more informative outputs.

To improve in this area of reporting, the Authority should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures and explain why performance measures are relevant to the organization's goals and objectives. The Authority also should focus on the full range of issues that concern the public and the legislators, including outputs and some short term outcomes. Variances between planned and actual results should be identified and fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the Authority's stakeholders and to achieving its purpose or vision. The report contains a wider array of performance information than in start up. The report explains how the Authority's performance is linked to government-wide direction.

To improve in this area of reporting, the Authority should… clearly state why its goals, objectives and measures are important and what achieving them means to the public and legislators. The Authority also should explain what is critical in achieving its goals and objectives and the few critical aspects of performance. What is important to the government at the overall corporate level should also be addressed. Key results should be clear and readily apparent.

Principle 4: Risk and Capacity
The report identifies some risks in the internal and external operating environment. The report summarizes the impact of the Authority's strategies and actions in managing capacity risks, and also describes the current status of some key areas of capacity.

To improve in this area of reporting, the Authority should… summarize the key risks it faces, the strategies for prioritizing and dealing with risks, and explain how risk management affected results. The Authority should also summarize the impact of its strategies and actions in managing risks.

Principle 5: Link Resources, Strategies and Results
The report contains basic financial information such as financial statements. The report provides key financial trend information for revenues and expenditures. The report also explains key revenue generating activities.

To improve in this area of reporting, the Authority should … fully explain key financial variances. Planned and actual costs should be explained in terms of core business areas, key goals, objectives, strategies or results achieved. The Authority should also fully explain the linkage between financial and other performance information so that the reader understands what it is supposed to be telling them and identify and include critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan. Historical information is provided for some measures. The report includes benchmark information of other organizations in the same sector or industry.

To improve in this area of reporting, the Authority should… include relevant economic, social or demographic information to put its results into context. The report should contain sufficient information to judge the Authority's performance relative to past performance, allowing the reader to understand whether performance is improving, deteriorating, or remaining unchanged.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. Sources and periods of data for assessment roll information are also disclosed. Where information is incomplete, the report indicates when the information will be available.

To improve in this area of reporting, the Authority should… identify all data sources and periods of data. The report should include concise explanations of how measures are derived and why goals and objectives were chosen. The Authority also should describe how performance targets were selected and why the reader should have confidence in the reliability of the information. Management should also describe why it is confident that the data is relevant and reliable, and provide an interpretation of the results in a reasonable manner, reporting both successes and shortcomings in a balanced way.

British Columbia Liquor Distribution Branch (LDB)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place					●		
In Process	● ♦	● ♦	●		♦		
Start-up			♦	● ♦		● ♦	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report explains the LDB's public purpose and explains mission. The report describes the core business areas and the programs, services and products provided. Clients, stakeholders and the market served are also described. The LDB's governance structure is clearly explained and the report has begun to describe how public sector values guide the LDB's operations.

To improve in this area of reporting, the LDB should… clearly describe how it is guided by its values in delivering its programs and services.

Principle 2: Link Goals and Results

There are linkages between the goals and objectives and they are consistent with the LDB's mission and purpose. The report explains why performance measures are relevant to LDB's goals and objectives and the report has provided measures for most of the objectives. The report provides performance measures for each objective and these measures go beyond just inputs and simple outputs. Variances between planned and actual results are identified.

To improve in this area of reporting, the LDB should… clearly explain the linkages between its mission, goals, objectives, strategies and performance measures. The LDB should also focus on the full range of issues that concern the public and the legislators. Variances between planned and actual results need to be fully explained.

Principle 3: Few Critical Aspects
The report has begun to focus on goals and objectives that are critical to the LDB's stakeholders and to achieving its purpose and mission. The report contains a wider array of performance information than in start-up and explains how the ministry's performance is linked to government wide direction. Key results are clear and readily apparent.

To improve in this area of reporting, the LDB should… clearly state why goals, objectives and measures are important, and what achieving them means to the public and legislators. The LDB should also explain what is critical in achieving its goals and objectives and the few critical aspects of performance.

Principle 4: Risk and Capacity
The report identifies some risks in the internal and external environment and describes some of the expected impacts. The report has begun to describe the current status of some areas of capacity.

To improve in this area of reporting, the LDB should… summarize the key risks faced by it and the strategies for prioritizing and dealing with them. The LDB should explain how risk management strategies affected results. Key areas of capacity and the impact of capacity on the results achieved should also be described.

Principle 5: Link Resources, Strategies and Results
The report contains financial statements and they are supported by a discussion and analysis from management. The report explains planned and actual costs in terms of core business areas. The report explains financial variances and provides financial trend information. Key revenue generating activities are explained and the report compares past sales to current sales. The report identifies critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan with results reported in relation to the goals, objectives and performance measures outlined in the plan. The report includes one year of baseline data for some measures.

To improve in this area of reporting, the LDB should… include relevant economic, social or demographic information to put its results into context. The LDB also should provide sufficient trend information for performance measures so that the reader is able to judge its performance relative to past performance. Where available and relevant, LDB should include benchmark information of similar organizations or best practices.

Principle 8: Disclose the Basis for Key Reporting Judgements

The report explains how performance measures are compiled and it contains management's interpretation of results for some measures. Where changes have been made since the prior year, the report has clearly explained the reasons for the changes. Where information is incomplete the report provides either a baseline or indicates when the information will be available for most measures.

To improve in this area of reporting, the LDB needs to… explain how each of its performance targets have been selected and identify the period of data reported. The LDB should provide full interpretations of its results and explain why readers should have confidence in the reliability of the information presented.

Land and Water British Columbia, Inc. (LWBC)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	● ◆	◆	●	●	●	◆	●
Start-up		●	◆	◆	◆	●	◆

● **2003/2004 Assessment** ◆ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report adequately describes LWBC's public purpose and mission. An overview of the core business areas and services are provided. Clients, stakeholders, and markets served are clearly identified. The governance structure under which LWBC operates is clear, and the accountability with the Board and government is described. The report makes clear that LWBC is guided by public sector values in delivering its programs and services.

To improve in this area of reporting, the LWBC should… explain how programs and services are delivered, how it delivers programs and services through others, and how it ensures others deliver what it wants. Accountability relationships with key partners should also be described.

Principle 2: Link Goals and Results
No objectives were reported for this organization which made it difficult to determine the linkages between goals, objectives and measures. Measures go beyond inputs and simple outputs toward including more informative outputs. Although variances are not specifically identified which may confuse the reader, most are explained.

To improve in this area of reporting, the LWBC should… include objectives and strategies from the service plan in order for the reader to fully understand the linkages between goals, objectives, strategies, and performance measures. LWBC should explain why performance measures are relevant to its goals and objectives. LWBC should also fully explain variances between planned and actual results.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to LWBC's stakeholders and to achieving its purpose or vision. Due to the nature of the performance measures, key results are clear and readily apparent. The corporation's goals are directly linked to the government's strategic plan.

To improve in this area of reporting LWBC should... clearly state why its goals, objectives and measures are important, and what achieving them means to the public and legislators. LWBC must also explain what is critical to it in achieving its goals and objectives.

Principle 4: Risk and Capacity
Internal and external risks are identified and there is some information describing how these risks impacted performance results and influenced strategies. An analysis of risk impacts is included with the risk management discussion. Existing resources and current staff capacity are described. In one case, the report explained how capacity affected performance results.

To improve in this area of reporting, LWBC should... include strategies for prioritizing and dealing with risks and how their risk management strategies affected results. LWBC should also explain how the capacity of partners affected the results achieved.

Principle 5: Link Resources, Strategies and Results
The report contains financial statements. Financial information is supported by discussion and analysis for revenue and the balance sheet. Five year trend data are presented for revenue, expenditures, and capital expenditures. The report makes clear the nature of funding and explains key revenue generating activities, and some forecast funding is included.

To improve in this area of reporting LWBC should... provide planned to actual financial information in terms of core business areas, key goals, objectives, strategies, or results achieved. Key expenditure variances should be explained. LWBC should also report critical measures of efficiency.

Principle 6: Comparative Information
Some benchmark data and five year financial trend data is presented. Data inconsistencies which could impact a reader's understanding of trends are fully explained. Future performance targets are included.

To improve in this area of reporting, LWBC should... clearly report actual performance in relation to the service plan. Results should be reported in relation to the goals, objectives and performance measures outlined in the plan. The report should contain sufficient information to judge the corporation's performance relative to past performance, allowing the reader to understand whether performance is improving, deteriorating, or remaining unchanged. LWBC should explain what the reader is expected to learn from trends and benchmarks being presented.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of Land and Water British Columbia, Inc.

Principle 8: Disclose the Basis for Key Reporting Judgements
Some sources of information were provided and management publicly affirmed responsibility for the report. In one case, a data limitation was fully discussed.

To improve in this area of reporting, LWBC should… explain how measures are derived and the period to which data applies. The report should explain how performance targets were selected and why the reader should have confidence in the reliability of the information. Management should describes why it is confident that the results are relevant and reliable.

Assessment of the Stages of Development in Incorporating the BC Reporting Principles
2003/04 Annual Service Plan Report of the Legal Services Society

Legal Services Society (the Society)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place				●			
In Process	● ♦	♦			● ♦	♦	
Start-up		●	● ♦	♦		●	● ♦

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served
The report describes the Society's core business areas and its programs and services. The report clearly identifies clients and key stakeholders. The Society's governance structure is clearly explained and the report has begun to describe how public sector values guide the Society's operations.

To improve in this area of reporting ,the Society should… explain how the delivery of its programs and services are guided by public sector values.

Principle 2: Link Goals and Results:
There are linkages between the Society's goals and objectives, and they are consistent with the Society's mission and public purpose.

To improve in this area of reporting, the Society should…provide performance measures for each of its objectives and explain why the measures are relevant to the Society's goals and objectives. The Society should also fully explain the linkages between its mission, goals, objectives, strategies and performance measures and focus on the full range of issues that concern the public and the legislators.

Principle 3: Few Critical Aspects
The report explains how the Society's performance is linked to government-wide direction. The report has begun to focus on the goals and objectives that are critical to the Society's stakeholders and to achieving its purpose or vision.

To improve in this area of reporting, Society should... clearly state why goals, objectives, and measures are important, and what achieving them means to the public and legislators. The Society should explain what is critical to achieving its goals and objectives, and focus on the few critical aspects of performance. Key performance results should be clear and readily apparent.

Principle 4: Risk and Capacity
The report summarizes the key risks facing the Society and the strategies for prioritizing and dealing with them. The report explains how risk management affected results and has summarized the impact of the Society's strategies and actions in managing risks. The report explains how capacity affected the results achieved and it also identifies critical areas where the Society needs to build capacity in order to succeed in the long term.

To improve in this area of reporting, the Society should... describe the current status of key areas of capacity including the capacity of service delivery partners

Principle 5: Link Resources, Strategies and Results
The report contains financial statements and they are supported by a discussion and analysis from management. The report explains planned and actual costs by core business area. The report explains financial variances and provides financial trend information. The report explains how current funding compares to past and forecast funding.

To improve in this area of reporting, the Society should...identify critical measures of efficiency.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan.

To improve in this area of reporting, the Society should... provide sufficient information to allow readers to judge the Society 's performance relative to past performance. Relevant economic, social or demographic information should be presented to put its results into context. Where available and relevant the Society should include benchmark information of similar organizations or best practices.

Principle 8. Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report. Where changes have been made since the prior year, the report clearly explains the reasons for changes to goals, objectives or performance measures.

To improve in this area of reporting, the Society should… explain how measures are compiled and identify the sources of information and the period of data reported. The Society should also explain why it has chosen the measures it has and explain how performance targets were selected. The Society should provide full interpretations of its results, and explain why the reader should have confidence in the reliability of the information presented.

British Columbia Transmission Corporation (BCTC)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process		●	●	●	●		
Start-up	●					●	●

* BCTC commenced operations during the year, therefore there is no prior year assessment.

Principle 1: Public Purpose Served
The report describes BCTC's core business areas, and the services provided. The report has begun to identify clients, key stakeholders and the markets served. The report clearly explains the governance structure under which BCTC operates. The report lists the values that guide BCTC's operations.

To improve in this area of reporting, BCTC should…clearly explain external accountability relationships, and make clear how it is guided by its values in delivering programs, products and services.

Principle 2: Link Goals and Results
The report identifies the goals and objectives of BCTC, and provides measures for each of its objectives. Performance measures go beyond just inputs and simple outputs towards including more informative outputs (such as efficiency, timeliness, quality). Variances between planned and actual results are explained.

To improve in this area of reporting, BCTC should…make clear the linkages between its mandate, goals, objectives, strategies and performance measures, and explain why performance measures are relevant to its goals and objectives.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to BCTC's stakeholders and to achieving its purpose or vision. The report contains a wider array of performance information than a report in 'start-up'. The report explains how BCTC's performance is linked to government-wide direction.

To improve in this area of reporting, BCTC should...provide measures for all critical goals or objective. The report should clearly state why goals, objectives and measures are important, what achieving them means to the public a legislators, and what Is critical to BCTC in achieving them.

Principle 4: Risk and Capacity
The report identifies some risks (both threats and opportunities) in BCTC's internal and external operating environments. The report describes the current status, and expected future status, of key areas of capacity.

To improve in this area of reporting, BCTC should...describe strategies for prioritizing and dealing with risks, and adequately describe how risks impacted performance results. The report should also explain how capacity affected the results achieved.

Principle 5: Link Resources, Strategies and Results
The report contains basic financial information and fully explains revenue activities. Variances are identified and partially, but not fully, explained. There are some linkages between financial and other performance information as some of the performance measures deal with aspects of efficiency.

To improve in this area of reporting, BCTC should... explain planned and actual costs in terms of core business areas, key goals and objective or results achieved.

Principle 6: Comparative Information
Actual performance is clearly reported in relation to the service plan (relevant items from BC Hydro's Service Plan). Results are reported in relation to the goals, objectives and performance measures outlined in the plan. There is sufficient consistency in the format and structure of the plan and report to allow readers to understand the connection between the two documents.

To improve in this area of reporting, BCTC should... compare current performance with historical results information and benchmarks from similar organizations.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report explains how performance measures are compiled. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, BCTC should… adequately explain why it has chosen to focus on the aspects of performance that it has, including its goals objectives, performance measures and targets. The report should also provide management's interpretation of results and why readers should have confidence in the information presented.

Partnerships British Columbia (Partnerships BC)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	●			●	●		
Start-up		●	●			●	●

* Partnerships British Columbia completed its first full year of operations, therefore there is no prior year assessment.

Principle 1: Public Purpose Served

The report adequately explains Partnerships BC's public purpose, as outlined in enabling legislation, and it adequately explains its mission. The report has begun to describe how the organization is guided by public sector values in delivering its programs and services. The report describes the organization's core business areas, and the services provided by these. The report clearly identifies clients, key stakeholders and the markets served. The report clearly explains the governance structure under which Partnerships BC operates.

To improve in this area of reporting, Partnerships BC should…make clear that it is guided by its identified values. The report also should explain how Partnerships BC delivers its services through others and how it ensures others deliver what it wants.

Principle 2: Link Goals and Results

There are some linkages between the goals & objectives, and they consistent with Partnerships BC's mission and public purpose. Measures reported are predominantly milestone type indicators.

To improve in this area of reporting, Partnerships BC should…fully explain the 'chain of events' that leads from the vision, mission and mandate through the goals, objectives and strategies to the performance monitoring, measurement and public reporting.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the organization's stakeholders and to achieving its purpose or vision. The report explains how the organization's performance is linked to government-wide direction.

To improve in this area of reporting, Partnerships BC should...clearly state why goals, objectives and measures reported are important and what achieving them means to the public and legislators (an external audience), focusing on performance measures of more ongoing value.

Principle 4: Risk and Capacity
The report describes key risks in the internal and external environment and their expected impact on the organization. The report describes the current status of key areas of capacity.

To improve in this area of reporting, Partnerships BC should... provided clear and concise explanations as to the organization's capacity to deliver on its goals and objectives.

Principle 5: Link Resources, Strategies and Results
Financial information is supported by a discussion and analysis from management. The report explains key financial variances – what happened and why. The report provides key financial information for current and prior year, such as for expenditures. The report explains how current funding compares to past and forecast funding. The report makes clear the nature of funding (fees, grants, appropriations, etc, and sources), and explains key revenue generating activities. The financial information clearly relates to two of the three goals of Partnerships BC

To improve in this area of reporting, Partnerships BC should... link financial and other performance information to identify critical measures of efficiency.

Principle 6: Comparative Information
To improve in this area of reporting, Partnerships BC should... report results in relation to the goals, objectives and performance measures outlined in the service plan. It should also explain changes in strategic direction occurring between the issuance of the plan and the annual report. The report should also compare current performance against historical data, as it becomes available, and benchmark information from other organizations in the same sector or industry where available.

Principle 8: Disclose the Basis for Key Reporting Judgements
The report explains how performance measures are compiled. Management publicly affirms its responsibility for the contents of the report.

To improve in this area of reporting, Partnerships BC should… explain why the organization has chosen to focus on the aspects that it has (e.g., its goals and objectives), and why it has chosen the performance measures and targets it has. Management's confidence in the reliability of the performance information , or any limitations in the data, should be adequately explained.

Tourism British Columbia (Tourism BC)

	Performance Reporting Principles						
Stage of Development	Public Purpose Served	Link Goals and Results	Few, Critical Aspects	Risk and Capacity	Link Resources, Strategies and Results	Comparative Information	Disclose Basis for Key Reporting Judgements
Fully Incorporated							
Fundamentals in Place							
In Process	● ♦	♦	♦		● ♦	♦	♦
Start-up		●	●	● ♦		●	●

● **2003/2004 Assessment** ♦ **2002/2003 Assessment**

Principle 1: Public Purpose Served

The report adequately explains Tourism BC's public purpose, as outlined in enabling legislation, and it adequately explains the organization's mission. The report partially describes Tourism BC's core business areas, and the programs, services or products provided by these. The report clearly identifies clients and, when relevant, the markets served. The report explains how Tourism BC delivers programs, products or services through others. The report describes how the missions of subsidiaries are aligned with Tourism BC's own mission. The report has described how public sector values guide the Tourism BC's operations, and performance measures appear to be measuring one aspect of those values (teamwork).

To improve in this area of reporting, Tourism BC should…fully describe its core business areas.

Principle 2: Link Goals and Results
There are linkages between the goals & objectives, and they are consistent with the organization's mission and public purpose. The report provides measures for each of its objectives. Some of the listed performance measures go beyond just inputs and simple outputs towards including more informative outputs (such as efficiency, timeliness, quality). Variances between planned & actual results are identified.

To improve in this area of reporting, Tourism BC should…fully explain the 'chain of events' that it followed from its vision, mission and mandate through to its performance monitoring and measuring. The report also should explain the links between Tourism BC's goals, objectives, strategies and then demonstrate why the performance measures are relevant to Tourism BC's goals and objectives. Variances between planned & actual results should be explained.

Principle 3: Few Critical Aspects
The report has begun to focus on the goals and objectives that are critical to the external stakeholders. The report contains a wider array of performance information than in start-up. Key results (financial and non-financial) are clear and readily apparent.

To improve in this area of reporting, Tourism BC should…clearly state why the goals, objectives and measures are important and what achieving them means to the public and legislators. The report should contain clear discussion around why a particular goal or objective is critical and why that particular performance measure is the best way of measuring performance.

Principle 4: Risk and Capacity
The report identifies some risks (both threats and opportunities) in the organization's internal and external operating environments. The report describes the current status of key areas of capacity.

To improve in this area of reporting, Tourism BC should…summarize the key risks facing the organization and explain how the risks, along with any capacity constraints, affected results. The report should also provide explanations as to the organization's capacity to deliver on its goals and objectives.

Principle 5: Link Resources, Strategies and Results
Financial information is supported by a discussion and analysis from management. The report explains key financial variances – what happened and why. The report provides key financial trend information. The report explains how current funding compares to past and forecast funding. The report makes clear the nature of funding and explains key revenue generating activities. The report begins to make linkages between financial and other performance information.

To improve in this area of reporting, Tourism BC should… explain the meaning of linkages between financial and other performance information.

Principle 6: Comparative Information
Actual performance is reported in relation to the service plan. There is sufficient consistency in the format and structure of the plan and report to allow readers to understand the connection between the two documents. The report contains one year of baseline information for most performance measures and includes multi year financial information to compare results against. The report contains some relevant economic, social or demographic information to put its results into context (e.g. an environmental scan).

To improve in this area of reporting, Tourism BC should… explain differences in the Annual Report where changes have been made from the Service Plan. The report should, if possible, include relevant credible benchmark comparisons.

Principle 8: Disclose the Basis for Key Reporting Judgements
Management publicly affirms its responsibility for the contents of the report and interprets the results. The report identifies sources of information.

To improve in this area of reporting, Tourism BC should…explain why the selected goals, objectives and performance measures are important, how performance targets were selected and why the reader should have confidence in the information presented. The report should also disclose any limitations or uncertainties in the information presented and the steps taken to validate the data.